

CITY OF EMPORIA

522 Mechanic
Emporia, Kansas 66801

Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2007

**Prepared by the Finance Department
of the City of Emporia, Kansas**

CITY OF EMPORIA, KANSAS
Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2007

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - iii
GFOA Certificate of Achievement	iv
Organizational Chart	v
Governing Body, Administrative Officials and Department Heads	vi
FINANCIAL SECTION	
Independent Auditor's Report on the Basic Financial Statements	1 - 2
Management's Discussion and Analysis	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Reconciliation of the Total Governmental Fund Balances to Net Assets of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures And Changes in Fund Balances with the Government Wide Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget	
General Fund	17 - 18
Industrial Development Sales Tax Fund	19
Statement of Net Assets - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22 - 23
Statement of Fiduciary Net Assets	24
Statement of Changes in Fiduciary Net Assets	25
Notes to the Financial Statements	26 - 46

CITY OF EMPORIA, KANSAS
Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2007

TABLE OF CONTENTS - (CONTINUED)

	<u>Page</u>
Combining Statements and Individual Fund Schedules	
Combining Statements - Nonmajor Funds	
Fund Descriptions	47 - 48
Combining Balance Sheet - Nonmajor Governmental Funds	49
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	50
Combining Balance Sheet - Nonmajor Special Revenue Funds	51 - 52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	53 - 54
Combining Balance Sheet - Nonmajor Capital Project Funds	55 - 56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds	57 - 58
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget:	
Library Fund	59
Library Employee Benefit Fund	60
Convention and Tourism Fund	61
Industrial Fund	62
Special Alcohol Program Fund	63
Special Park and Recreation Fund	64
Special Street Fund	65
Drug Money Forfeiture Fund	66
Debt Service Fund	67
Individual Fund Schedules of Revenues, Expenses, and Changes in Net Assets - Actual and Budget:	
Solid Waste Disposal Fund	68
Sewer Utility Fund	69
Water Utility Fund	70
Internal Service Fund Descriptions	71
Combining Statement of Net Assets - Internal Service Funds	72
Combining Statement of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds	73
Combining Statement of Cash Flows - Internal Service Funds	74
Fiduciary Fund Descriptions - Trust and Agency Funds	75
Combining Statement of Fiduciary Net Assets - Fiduciary Funds	76 - 77
Combining Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	78
Combining Statement of Changes in Net Assets and Liabilities	79

CITY OF EMPORIA, KANSAS
Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2007

TABLE OF CONTENTS - (CONTINUED)

	<u>Table</u>	<u>Page</u>
STATISTICAL SECTION		
Net Assets by Component - Last Five Years	1	80
Changes in Net Assets - Last Five Years	2	81
Governmental Activities Tax Revenues by Source - Last Five Years	3	82
Fund Balances of Governmental Funds - Last Ten Years	4	83
Changes in Fund Balances of Governmental Funds - Last Ten Years	5	84
General Governmental Tax Revenues by Source - Last Ten Years	6	85
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Years	7	86
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	8	87
Principal Property Taxpayers	9	88
Property Tax Levies and Collections - Last Ten Years	10	89
Ratios of Outstanding Debt by Type - Last Ten Years	11	90
Ratios of General Bonded Debt Outstanding - Last Ten Years	12	91
Direct and Overlapping Governmental Activities Debt	13	92
Legal Debt Margin Information - Last Ten Years	14	93
Demographic and Economic Statistics	15	94
Principal Employers	16	95
Full Time City Government Employers by Function - Last Ten Years	17	96
Operating Indicators by Function - Last Ten Years	18	97
Capital Asset Statistics by Function - Last Ten Years	19	98

INTRODUCTORY SECTION

This page intentionally left blank.



THE CITY OF **EMPORIA**

Honorable Mayor and
City Commissioners
City of Emporia
Emporia, Kansas

Honorable Mayor and City Commissioners:

The Comprehensive Annual Financial Report of the City of Emporia, Kansas for the year ended December 31, 2007 is submitted herewith.

This report was prepared by the City's Finance Department. The report is published to provide to the Commission, to representatives of financial institutions, and to our citizens and other interested persons detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

GENERAL INFORMATION - CITY OF EMPORIA

The City of Emporia lies 110 miles southwest of Kansas City and 85 miles northeast of Wichita on the eastern edge of the Flint Hills area of Kansas. Emporia has a population of 26,760 based on the 2000 census. There are 11.75 square miles of land in the City's corporate boundary, while the "planning and protected" area covers approximately 63 square miles.

The City of Emporia was incorporated in 1857. The City has a Commission - City Manager form of government. The commission is comprised of five members elected at large for terms of two and four years, with three Commissioners being elected each odd-numbered year. The Mayor is elected by the Commission.

The City Manager is appointed by the Governing Body and acts as its primary agent in accordance with state statute. Other City officers and employees are appointed by the City Manager. The Governing Body is responsible for policy determination and the City Manager is responsible for the administration of the municipal government.

LOCAL ECONOMY

Emporia is very fortunate to have a very diversified economy. This diversity provides a cushion when a particular market area suffers from an economic downturn. Our major source of employment is in the field of food processing. This is an important link to our state's agricultural base, yet it is insulated from the periodic downturns, which plague the farm sector. Strong employment in this sector is being maintained at the Menu Foods plant for the production of pet food and through Tyson, which presents our largest employer in the community with around 2700 workers. Dolly Madison Bakery is part of Interstate bakeries, which is working its way through bankruptcy reorganization. Our local plant has experienced growth during this reorganization as Interstate Bakeries closed other production facilities around the country to streamline their operation and to reduce overhead. Because our bakery represent one of their significant profit centers, we believe their business will grow in Emporia as a result of further facility consolidation of production

In the production of durable goods, our employment base is smaller, but has a broad market spectrum from the manufacturing of leveling vials to the rebuilding of large diesel engines. Many of the employers in the sector are looking at expansion projects over the next 24 months. Major service industries include a state university, technical college, regional medical center, transportation and lodging facilities. The University continues to work hard to maintain and build its enrollment. Technical training seems to increase in importance as employers express a need for specific trained skills in their production operations. Both of these institutions are dependent on State funding and the poor fiscal condition of the State is affecting their operations. Attracting new students into these higher education and technical training programs will be competitive, but our local institutions appear to be preparing for the challenge. Transportation, particularly trucking, continues to be an important part of our economy. Our access to highway systems and our central geographical location within our state and nation continue to make this a promising area.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The adopted budgets are an integral part of the accounting system providing management control over expenditures in the general fund, special revenue funds, debt service fund and enterprise funds. Kansas statutes require that cash be on hand before expenditure can be authorized, that all expenditures be budgeted, and that the budget not exceed anticipated revenues including carry-forward balances. The adopted budget for any fund may be amended, using the same procedures as for adoption, if the increased expenditures are financed with non-tax revenues. All other budget amendments require the approval of the State Board of Tax Appeals.

Formal budgetary integration is not used for the capital projects funds because budgetary control is achieved through the resolution of authorization and funding. Encumbrance accounting is used for outstanding purchase orders, contracts and other commitments. Encumbrances outstanding at year end are reported as reservations of fund balance since they are not expenditures or liabilities.

THE REPORTING ENTITY AND ITS SERVICES

This report includes all of the funds of the City. The City is financially accountable for the Emporia Public Library, and the Library is included in the City's financial statements. The City Commission appoints all members of the seven members Library Board. Because the Library is not a separate taxing entity by applicable state statutes, the City levies taxes for the Library's operations, which represent approximately 79 percent of total revenues. The operations of the Emporia Public Library are reported as a discretely presented component unit in the City's financial statements.

The City provides a full range of municipal services. The Public Safety program includes police and fire protection; an aquatic center, golf course, tennis courts, neighborhood parks and a community center provide a well-rounded, active recreation program; the Engineering Department provides essential street and highway construction and maintenance, surveying services, sanitation and other technical assistance to the City; the Public Utilities provide water, sewer and refuse collection services. Additional services provided include building inspection, planning and zoning, as well as general administrative services.

INTERNAL CONTROL

In developing and altering the City's accounting system, consideration is given to the adequacy of the internal controls. The internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

CASH MANAGEMENT

Cash temporarily idle during the year was invested in time deposits ranging from 30 to 150 days in maturity and in U.S. Government obligations with variable maturities and in the Kansas Municipal Investment Pool. At December 31, 2007, the City's cash resources were divided between demand deposits and investments as follows: in demand deposits and cash on hand 25 percent; and in interest bearing investments 75 percent.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized.

RISK MANAGEMENT

The City performs limited risk management operations intended to maintain coverage at appropriate levels; manage claims; and monitor carrier performance. Additionally, the City periodically engages professional consultants to assist with the risk management function. The City operates its employees' health insurance and workers' compensation insurance as partially self-funded plans.

INDEPENDENT AUDIT

State law requires an annual audit of the books of account, financial records and transactions of all administrative departments of the City by Independent Certified Public Accountants or Licensed Municipal Public Accountants selected by the City Commission. This requirement has been complied with and the auditor's opinion has been included in this report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Emporia for its comprehensive annual financial report for the year ended December 31, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

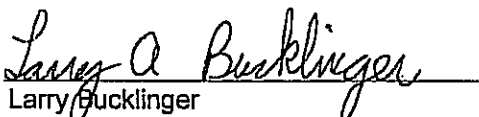
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Emporia, Kansas, has received a Certificate of Achievement for the last twenty-one consecutive years (fiscal years 1985 - 2006). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I should like to express my appreciation to all members of the department who assisted and contributed to its preparation. I should also like to thank the Mayor and City Commissioners for their interest and support in planning and conducting the financial operations of the City in a reasonable and progressive manner.

Respectfully submitted,



Larry Bucklinger
Director of Administrative Services
May 15, 2008

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Emporia
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

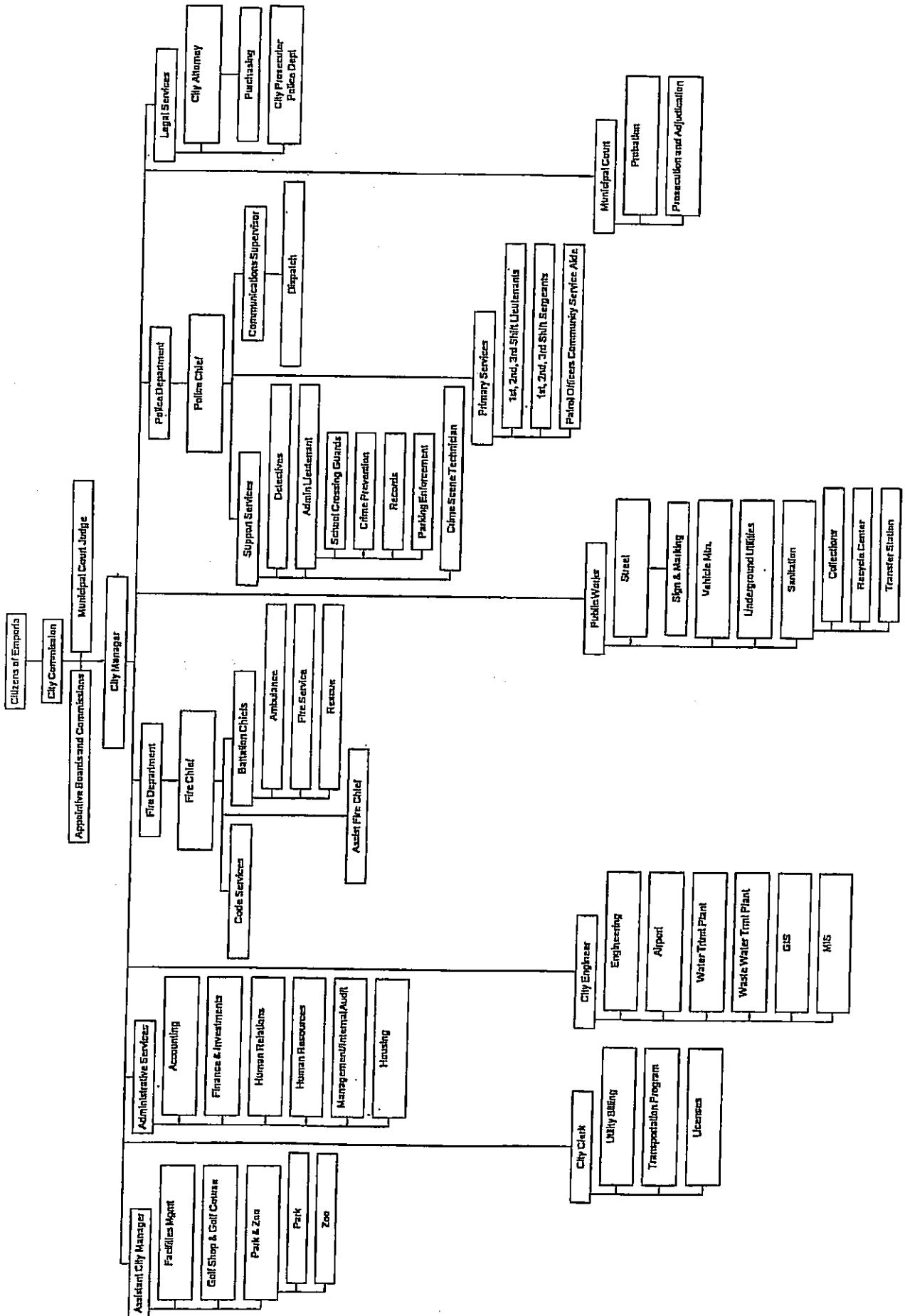


Chloe S. Cox

President

Jeffrey R. Emer

Executive Director



City of Emporia, Kansas

GOVERNING BODY
2007

MAYOR	JULIE JOHNSON
VICE-MAYOR	BOBBIE AGLER
COMMISSIONER	JIM KESSLER
COMMISSIONER	KEVIN NELSON
COMMISSIONER	JEFF LONGBINE

ADMINISTRATIVE OFFICIALS

CITY MANAGER	MATT ZIMMERMAN
DIRECTOR OF ADMINISTRATIVE SERVICES	LARRY BUCKLINGER
CITY CLERK	SUSAN MENDOZA
CITY TREASURER	JANET HARROUFF
CITY ATTORNEY	BLAISE PLUMMER

DEPARTMENT HEADS

PUBLIC WORKS DIRECTOR	RON CHILDERS
CITY ENGINEER	KEITH BEATTY
FIRE CHIEF	JACK TAYLOR
POLICE CHIEF	GARY SMITH
DIRECTOR OF COURT SERVICES	PHIL MARTIN

FINANCIAL SECTION

This page intentionally left blank.

LOWENTHAL SINGLETON WEBB & WILSON
P R O F E S S I O N A L A S S O C I A T I O N

CERTIFIED PUBLIC ACCOUNTANTS

900 Massachusetts, Suite 301
Lawrence, Kansas 66044-2868
Phone: (785) 749-5050
Fax: (785) 749-5061
E-mail: lswwcpcpa@lswwcpcpa.com

David A. Lowenthal, CPA
Thomas E. Singleton, CPA
Patricia L. Webb, CPA
Thomas G. Wilson, CPA
Audrey M. Odermann, CPA

Abram M. Chrislip, CPA
Angela R. Motsinger, CPA
Brian W. Nyp, CPA

Members of American Institute
and Kansas Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
ON THE BASIC FINANCIAL STATEMENTS

Mayor and City Commissioners
City of Emporia, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas, as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Emporia Public Library which statements reflect total assets of \$739,821 as of December 31, 2007 and total expenditures of \$860,951 for the year ended, which is a discretely presented component unit in the accompanying financial statements. Those financial statements were audited by other auditors whose report has been furnished to us; and our opinion insofar as it relates to the amounts for the Emporia Public Library included as a discretely presented component unit, is based solely upon the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Audit Guide." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Emporia, Kansas, at December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Industrial Development Sales Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 8 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. We did not audit the data included in the introductory and statistical sections of this report and therefore, we express no opinion thereon.

Howenthal, Singleton, Webb & Wilson

Professional Association

May 15, 2008

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007
Unaudited

Our discussion and analysis of the City of Emporia, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2007. The Emporia Public Library issues a complete financial statement that includes a discussion and analysis. The address for retrieval of this report is in Note I. This narrative should be read in conjunction with the City's letter of transmittal, which begins on page i.

Financial Highlights

- The Government-wide net assets totaled \$99.7 million at the end of the current fiscal year.
- The Government-wide unrestricted current assets exceed the current liabilities by \$6.7 million, representing the City's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at December 31, 2007 totaled \$135.6 million.
- During the year ended December 31, 2007, the City's total expenses exceeded total revenues (which include charges for services, local taxes and state and federal aid) by \$7.5 million.
- The City's total indebtedness increased by \$5.1 million, primarily due to the issuance of general obligation bonds and temporary notes.
- The City's net capital assets decreased \$7 million in the current fiscal year.

Using This Financial Report

This annual report consists of two distinct series of financial statements: government-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for both governmental and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds. The City also holds fiduciary funds on behalf of various parties. These funds are reported in a separate statement.

Reporting on the City as a Whole (Government Wide)

Statement of Net Assets and the Statement of Activities

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Assets and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net assets and current year change in those net assets. The change in net assets is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007
Unaudited

In the Statement of Net Assets and the Statement of Activities, the City is divided into two distinct kinds of activities:

Governmental Activities - Most of the City's programs and services are reported here including general government, public safety, highways and streets, culture and recreation, health and environment, building and maintenance, planning and development and airport operation.

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The City's solid waste disposal, sewer utility, and water utility are reported as business-type activities. In addition, the City's workers' compensation fund and the employee health care fund are treated as internal service funds.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how many flows into and out of the funds and balances left over at fiscal year end available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Assets and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds - Proprietary funds (Solid Waste Disposal, Sewer Utility and Water Utility) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the government-wide financial statements.

The City as a Whole

Government-Wide Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Emporia, Kansas, assets exceeded liabilities by \$99.7 million at the end of the current fiscal year.

By far the largest portion of the City of Emporia's net assets (86 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City of Emporia uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Emporia's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007
Unaudited

The Statement of Net Assets provides the financial position of the City as a whole. The following is a summary of the City's Statement of Net Assets as of December 31, 2007:

City of Emporia
Condensed Statement of Net Assets
December 31, 2007 and 2006

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current assets	\$ 19,091,069	\$ 11,141,412	\$ 4,996,868	\$ 3,480,804	\$ 24,087,937	\$ 14,622,216
Net capital assets	<u>98,770,717</u>	<u>104,279,506</u>	<u>36,786,365</u>	<u>38,284,241</u>	<u>135,557,082</u>	<u>142,563,747</u>
Total assets	<u>\$ 117,861,786</u>	<u>\$ 115,420,918</u>	<u>\$ 41,783,233</u>	<u>\$ 41,765,045</u>	<u>\$ 159,645,019</u>	<u>\$ 157,185,963</u>
Current liabilities	\$ 15,421,176	\$ 3,908,113	\$ 1,939,598	\$ 1,874,687	\$ 17,360,774	\$ 5,782,800
Noncurrent liabilities	<u>26,504,911</u>	<u>27,037,569</u>	<u>16,117,477</u>	<u>17,370,724</u>	<u>42,622,388</u>	<u>44,408,293</u>
Total liabilities	<u>\$ 41,926,087</u>	<u>\$ 30,945,682</u>	<u>\$ 18,057,075</u>	<u>\$ 19,245,411</u>	<u>\$ 59,983,162</u>	<u>\$ 50,191,093</u>
Net Assets:						
Invested in capital assets, net of related debt	\$ 66,616,597	\$ 75,354,567	\$ 19,415,639	\$ 19,704,708	\$ 86,032,236	\$ 95,059,275
Restricted for :						
Debt Service	227,184	249,058	-	-	227,184	249,058
Unrestricted	<u>9,091,918</u>	<u>8,871,611</u>	<u>4,310,519</u>	<u>2,814,926</u>	<u>13,402,437</u>	<u>11,686,537</u>
Total net assets	<u>\$ 75,935,699</u>	<u>\$ 84,475,236</u>	<u>\$ 23,726,158</u>	<u>\$ 22,519,634</u>	<u>\$ 99,661,857</u>	<u>\$ 106,994,870</u>

An additional portion of the City of Emporia's net assets (.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (13.4 million) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Emporia is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was a decrease of \$21,874 in restricted net assets reported in connection with the City of Emporia's governmental activities. This decrease resulted from the decrease in the Debt Service Fund fund balance.

The City's net assets decreased by \$7.3 million during the current fiscal year. This decrease was due primarily to depreciation of capital assets during the year.

Governmental Activities

Governmental activities decreased the City of Emporia's net assets by \$8.5 million. This decrease was due primarily to depreciation of capital assets during the year. Also, for the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007
Unaudited

The following is a condensed statement of the City's change in net assets for the year ended December 31, 2007.

City of Emporia Condensed Statement of Changes in Net Assets For the Year Ended December 31, 2007 and 2006						
	Governmental Activities		Business-Type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program revenues:						
Charges for services	\$ 4,716,743	\$ 4,230,979	\$ 11,335,237	\$ 10,803,039	\$ 16,051,980	\$ 15,034,018
Operating grants	2,275,621	2,551,256	-	-	2,275,621	2,551,256
Capital grants	-	-	-	205,002	-	205,002
General revenues:						
Property taxes	13,087,215	12,390,698	-	-	13,087,215	12,390,698
Other	2,524,498	905,457	744,864	172,119	3,269,362	1,077,576
Total revenues	<u>22,604,077</u>	<u>20,078,390</u>	<u>12,080,101</u>	<u>11,180,160</u>	<u>34,684,178</u>	<u>31,258,550</u>
Program expenses:						
General government	6,205,113	4,646,991	-	-	6,205,113	4,646,991
Public safety	8,680,772	7,995,365	-	-	8,680,772	7,995,365
Highways and streets	8,218,813	8,099,622	-	-	8,218,813	8,099,622
Culture and recreation	2,774,693	2,315,915	-	-	2,774,693	2,315,915
Health and environment	72,475	61,205	-	-	72,475	61,205
Building and maintenance	939,756	893,474	-	-	939,756	893,474
Planning and development	4,447,332	1,264,408	-	-	4,447,332	1,264,408
Airport operations	634,334	384,315	-	-	634,334	384,315
Solid waste disposal	-	-	2,629,336	2,200,552	2,629,336	2,200,552
Sewer utility	-	-	2,959,294	2,929,858	2,959,294	2,929,858
Water utility	-	-	3,564,058	3,580,339	3,564,058	3,580,339
Interest on long term debt	1,014,796	1,100,521	-	-	1,014,796	1,100,521
Total expenses	<u>32,988,084</u>	<u>26,761,816</u>	<u>9,152,688</u>	<u>8,710,749</u>	<u>42,140,772</u>	<u>35,472,565</u>
Increase [decrease] in net assets before transfers	[10,384,007]	[6,683,426]	2,927,413	2,469,411	[7,456,594]	[4,214,015]
Transfers	1,971,420	1,950,840	[1,971,420]	[1,950,840]	-	-
Increase [decrease] in net assets	<u>\$ [8,412,587]</u>	<u>\$ [4,732,586]</u>	<u>\$ 955,993</u>	<u>\$ 518,571</u>	<u>\$ [7,456,594]</u>	<u>\$ [4,214,015]</u>

Business-type Activities

Business-type activities increased the City of Emporia's net assets by \$1.2 million.

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007
Unaudited

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unreserved fund balances, in particular, measures the City's net resources available for spending at the end of the City's fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10.6 million, an increase of \$1.6 million in comparison with the prior year. Most of this total fund balance amount (\$6.5 million) constitutes capital project fund balances, which are available for spending on large capital projects. The remainders of fund balance amounts were as follows:

\$1,568,879 Special Revenue Funds available for state defined projects and services.

\$227,184 Debt Service Fund available for debt service requirements.

\$2,315,959 General Fund available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$2.3 million. The fund balance of the City's general fund increased by \$1 million during the current fiscal year.

The Industrial Development Sales Tax Fund is used to account for the receipt of retail sales tax and expenditures of funds generated by a portion of the City's retail sales tax. The ending fund balance of the Industrial Development Sales Tax Fund was approximately \$.9 million at December 31, 2007.

The Debt Service Fund has a total fund balance of \$227,184, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the fund was \$21,874. The City refunded two bond issues. The City also issued temporary notes in the amount of \$1,470,000 and two general obligation bonds with proceeds totaling \$8.8 million to fund various projects.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water Fund at the end of the year amounted to \$2 million, the Sewer Fund at the end of the year amounted to \$1.6 million and those for the Solid Waste Disposal Fund operation amounted to \$.7 million. The total change in net assets for Solid Waste Disposal was an increase of \$.2 million, for Sewer the change was an increase of \$54,591 and for Water the change was an increase of \$.7 million. The factors concerning the finances of these funds have already been addressed in the discussion of the City's business type activities.

General Fund Budgeting Highlights

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The City's final General Fund budget was \$15,700,000, which was amended from the original budget of \$14,928,055. The revenues were more than budgetary estimates by \$.2 million and the expenditures were less than budgetary estimates by \$.7 million.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental and business-type activities totaled \$135.6 million (net of accumulated depreciation) as of December 31, 2007. This investment in capital assets includes land, buildings and

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007
Unaudited

systems, improvements, machinery and equipment, park facilities, roads, highways and bridges. The decrease in the City's investment in capital assets for the current fiscal year for governmental activities was 5% and a 4% decrease for business-type activities.

Major capital asset events during the current fiscal year included the following:

Completion of the Soden's Grove bleachers at an estimated cost of \$466,000.

Installation of new improvements, including a picnic shelter and playground equipment, at Eastside Memorial Park in the amount of \$166,000.

Continued working on street improvements at the intersection of U.S. Hwy 50 and Graphic Arts road in the amount of \$236,800.

Resurfaced U.S. Hwy 50 between Graphic Arts Road and Industrial Road at a cost of \$159,000.

Finalized engineering and accepted bids for intersection improvements, including new left-turn lanes and signal pre-emption, at the intersection of Industrial Road and 15th Avenue at cost of \$25,000.

Completed reconstruction of 30th Avenue between Crestview and Lake Ridge at a cost of \$589,500.

Completed intersection improvements at the intersection of Industrial Road and the eastbound off ramp for I-35 at a cost of \$754,000.

Continued to participate in the reconstruction of the interchange at I-35 and I-335.

Finalized engineering and received KDOT approval for intersection improvements at 12th Avenue and Graphic Arts Road.

Constructed streets in the Sunflower Meadows subdivision at a cost of \$237,000, to be repaid from special assessment proceeds.

Constructed street, water and sanitary sewer main improvements in the Greenwood Addition subdivision at a cost of \$227,000, to be repaid from special assessment proceeds.

Constructed sanitary sewer and street improvements in the Cedar Bend Second Addition subdivision at a cost of \$225,000, to be repaid from special assessment proceeds.

Reconstructed Union Street from 3rd to 6th at a cost of \$477,000.

Constructed a new combination sidewalk and bike path on Weaver Street from South Avenue to Logan Street at a cost of \$70,000.

Started construction of a combination sidewalk and bike path on South Avenue from Prairie Street to West Street.

Obtained funding to construct water, sanitary sewer and street improvements for Penny Lane extended east of Weaver street through a combination of CDBG grant moneys and developer contributions.

Approved a contract with Kansas Gas for them to oversize a natural gas main from Prairie Street to Weaver Street for economic development at a cost of \$725,000.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007
Unaudited

Finalized engineering for relocating a storm sewer and water main abutting the east property line of Norfolk Iron and Metal.

Erected a wind cone at the Emporia Airport at a cost of \$115,000.

Approved a contract to lease and started construction of a hanger at the Emporia Airport.

Started construction of a new storm sewer on Commercial Street between 7th & 8th.

Additional information on the City's capital assets can be found in Note IV of the financial statements.

At December 31, 2007, the City had total debt outstanding of \$51 million, backed by the full faith and credit of the City. Total long-term debt increased for the fiscal year ended December 31, 2007, in the amount of \$5.1 million. The City is not rated by any of the three rating agencies, but still receives favorable rates on the bonds offered to the public. The ratio of bonded debt to assessed valuation for the City is 22.474%. In October, 2007, the City issued \$3,604,164 of general obligation bonds and in December, 2007, the City issued \$5,229,425 in general obligation bonds and \$1,470,000 of temporary notes to finance a variety of projects and improvements.

Additional information on the City's general long term debt can be found in Note IV to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City is currently 4.8 percent. This is slightly above what is considered full employment. A number of businesses have contacted the City and Regional Development Associations, the economic development organization for Emporia, to address the shortage of skilled labor. The City is anticipating a significant downturn in the Lyon County economy due to the January 2008 announcement by the City's largest employer, Tyson Foods, of a layoff of 1,800 positions in the spring 2008. The Emporia State University Economics Department is calculating a net decrease to the Lyon County economy of approximately 10%. The City will be monitoring revenues to determine the impact from the downturn in the economy and prepare a corresponding decrease in expenditures.

The occupancy rate in the downtown district remained at a consistent 90%. The Emporia Main Street organization approved a master planning program, called Community Initiated Development, to develop ways to increase the variety of retail, dining and entertainment options in the downtown area and improve occupancy rates. Many organizations, including the City of Emporia, Emporia Area Chamber of Commerce and Regional Development Agency, are participating in the CID program.

Inflationary trends were higher than in past years, as they were across the country. It appears to have had a limited impact on the Emporia economy.

All of these factors were considered in preparing the budget for the 2008 fiscal year. Of note, due to previous budget cuts and a tight control on spending by City management, the City had a significant surplus in the General Fund. Some significant causes for the surplus included not filling open positions, eliminating and reducing capital projects and several operational projects being under budget.

The City Commission increased sewer rates effective the second half of the 2007 fiscal year. The Water and Sewer Funds showed healthy surpluses for the fiscal year. Reserves in these Funds were being built up to cover anticipated capital projects in future fiscal years. The reduction in operations at Tyson is calculated to decrease water sales by 20%, or \$738,000. A water rate increase may be necessary to recoup these lost revenues.

CITY OF EMPORIA, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007
Unaudited

The Solid Waste Fund has had deficits for several fiscal years. The City Commission approved rate increases in most rates to address the on-going deficits, effective January 1, 2008. The rate increases are expected to create a surplus in the Solid Waste Fund in the 2008 fiscal year, to be used to fund capital projects in future fiscal years. The reduction in operations at Tyson's is anticipated to decrease revenues by approximately \$90,000 in the 2008 fiscal year. Rates will be evaluated to maintain surpluses in the Solid Waste Fund.

The City also adopted a new policy to fund capital purchases (equipment and projects) from operating revenues in the respective enterprise funds rather than bonding the costs. Utility rates will be evaluated annually during budget preparation to ensure they are adequate to cover capital costs in the budget and future fiscal years.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City's Finance Department at 522 Mechanic, Emporia, Kansas 66801.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

CITY OF EMPORIA, KANSAS

STATEMENT OF NET ASSETS
December 31, 2007

	Governmental Activities	Business-type Activities	Primary Government Total	Component Unit Emporia Public Library
ASSETS				
Current assets:				
Cash and investments	\$ 11,643,056	\$ 3,316,871	\$ 14,959,927	\$ 360,175
Cash with fiscal agent	16,041	-	16,041	-
Accounts receivable	7,236,457	1,078,047	8,314,504	-
Inventory	-	302,632	302,632	-
Deferred charges	195,515	299,318	494,833	-
Total current assets	19,091,069	4,996,868	24,087,937	360,175
Capital assets:				
Construction in progress	1,070,920	-	1,070,920	-
Land	1,683,849	210,525	1,894,374	-
Capital assets	224,007,865	66,109,145	290,117,010	734,674
Less: accumulated depreciation	127,991,917	29,533,305	157,525,222	355,028
Total net capital assets	98,770,717	36,786,365	135,557,082	379,646
Total assets	\$ 117,861,786	\$ 41,783,233	\$ 159,645,019	\$ 739,821
Liabilities:				
Current liabilities:				
Accounts payable	\$ 373,151	\$ 253,144	\$ 626,295	\$ 36,595
Accrued liabilities	889,428	285,849	1,175,277	-
Interest payable	294,311	53,077	347,388	-
Matured bond principal and interest	16,041	-	16,041	-
Unearned revenue	6,313,570	-	6,313,570	-
Current portion of compensated absences payable	479,262	94,279	573,541	18,872
Current portion of loans payable	24,468	-	24,468	-
Current portion of notes payable	-	710,606	710,606	-
Current portion of general obligation bonds and temporary notes payable	7,030,945	542,643	7,573,588	-
Total current liabilities (payable from current assets)	15,421,176	1,939,598	17,360,774	55,467
Noncurrent liabilities:				
General obligation bonds and temporary notes payable	26,410,709	3,864,292	30,275,001	-
Loans payable	94,202	-	94,202	-
Notes payable	-	12,253,185	12,253,185	-
Total noncurrent liabilities	26,504,911	16,117,477	42,622,388	-
Total liabilities	\$ 41,926,087	\$ 18,057,075	\$ 59,983,162	\$ 55,467
Net Assets				
Invested in capital assets, net of related debt	\$ 66,616,597	\$ 19,415,639	\$ 86,032,236	\$ 379,646
Restricted for:				
Debt service	227,184	-	227,184	-
Grantor restricted	-	-	-	6,077
Donor restricted	-	-	-	28,250
Unrestricted	9,091,918	4,310,519	13,402,437	270,381
Total net assets	\$ 75,935,699	\$ 23,726,158	\$ 99,661,857	\$ 684,354

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

					Net [Expenses] Revenue and Changes in Net Assets			
Program Revenues					Primary Government			Component Unit
	Charges for	Operating	Capital		Governmental	Business		Emporia
Expenses	Services	Grants and	Grants and		Activities	Type	Total	Public
		Contributions	Contributions			Activities		Library
Governmental activities:								
General government	\$ 6,205,113	\$ 2,006,903	\$ 854,436	\$ -	\$ [3,343,774]	\$ -	\$ [3,343,774]	\$ -
Public safety	8,680,772	1,889,173	155,935	-	[6,635,664]	-	[6,635,664]	-
Highways and streets	8,218,813	69,299	883,623	-	[7,265,891]	-	[7,265,891]	-
Culture and recreation	2,774,693	460,230	-	-	[2,314,463]	-	[2,314,463]	-
Health and environment	72,475	-	85,080	-	12,605	-	12,605	-
Building maintenance	939,756	-	-	-	[939,756]	-	[939,756]	-
Planning and development	4,447,332	-	296,547	-	[4,150,785]	-	[4,150,785]	-
Airport operations	634,334	291,138	-	-	[343,196]	-	[343,196]	-
Interest on long-term debt	1,014,796	-	-	-	[1,014,796]	-	[1,014,796]	-
Total governmental activities	32,988,084	4,716,743	2,275,621	-	[25,995,720]	-	[25,995,720]	-
Business-type activities:								
Solid Waste Disposal	2,629,336	3,060,494	-	-	-	431,158	431,158	-
Sewer Utility	2,959,294	3,682,590	-	-	-	723,296	723,296	-
Water Utility	3,564,058	4,592,153	-	-	-	1,028,095	1,028,095	-
Total business-type activities	9,152,688	11,335,237	-	-	-	2,182,549	2,182,549	-
Total primary government	\$ 42,140,772	\$ 16,051,980	\$ 2,275,621	\$ -	[25,995,720]	2,182,549	[23,813,171]	-
Component unit:								
Emporia Public Library								
Culture and recreation	\$ 860,951	\$ 27,292	\$ 851,625	\$ -	\$ -	\$ -	\$ -	\$ 17,966
Total component unit	\$ 860,951	\$ 27,292	\$ 851,625	\$ -	-	-	-	17,966
General Revenues:								
Property taxes levied for								
General purposes					10,688,024	-	10,688,024	-
Debt service					2,399,191	-	2,399,191	-
Investments earnings					713,477	496,647	1,210,124	13,836
Miscellaneous					1,811,021	248,217	2,059,238	4,159
Transfers, net					1,971,420	[1,971,420]	-	-
Total general revenues and transfers					17,583,133	[1,226,556]	16,356,577	17,995
Change in net assets					[8,412,587]	955,993	[7,456,594]	35,961
Net assets - beginning					84,475,236	22,519,634	106,994,870	648,393
Prior period adjustment					[126,950]	250,531	123,581	-
Net assets - beginning, restated					84,348,286	22,770,165	107,118,451	648,393
Net assets - ending					\$ 75,935,699	\$ 23,726,158	\$ 99,661,857	\$ 684,354

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

	<u>General</u>	<u>Industrial Development Sales Tax</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 2,034,056	\$ 902,692	\$ 240,727	\$ 7,268,565	\$ 10,446,040
Cash with fiscal agent	-	-	16,041	-	16,041
Receivables					
Accounts	874,755	-	-	48,134	922,889
Taxes	3,667,016	-	2,002,805	643,747	6,313,568
Due from other funds	38,414	-	-	-	38,414
Total assets	<u>\$ 6,614,241</u>	<u>\$ 902,692</u>	<u>\$ 2,259,573</u>	<u>\$ 7,960,446</u>	<u>\$ 17,736,952</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 229,338	\$ 4,065	\$ -	\$ 125,560	\$ 358,963
Accrued liabilities	401,928	-	13,543	14,755	430,226
Matured bonds and interest payable	-	-	16,041	-	16,041
Due to other funds	-	-	-	38,414	38,414
Deferred revenue	3,667,016	-	2,002,805	643,749	6,313,570
Total liabilities	<u>4,298,282</u>	<u>4,065</u>	<u>2,032,389</u>	<u>822,478</u>	<u>7,157,214</u>
Fund balance:					
Reserved for encumbrances	81,152	93,150	-	22,603	196,905
Unreserved					
Undesignated, reported in:					
Special revenue funds	-	805,477	-	647,649	1,453,126
Debt service fund	-	-	227,184	-	227,184
Capital projects funds	-	-	-	6,467,716	6,467,716
General fund	2,234,807	-	-	-	2,234,807
Total fund balance	<u>2,315,959</u>	<u>898,627</u>	<u>227,184</u>	<u>7,137,968</u>	<u>10,579,738</u>
Total liabilities and fund balances	<u>\$ 6,614,241</u>	<u>\$ 902,692</u>	<u>\$ 2,259,573</u>	<u>\$ 7,960,446</u>	<u>\$ 17,736,952</u>

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2007

Total Governmental Fund Balances		\$ 10,579,738
----------------------------------	--	---------------

Amounts reported for governmental activities in the
statement of net assets are different because

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets of liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		723,626
--	--	---------

Bond issuance costs are shown as current year expenditures in the funds.

Bond issuance costs		195,515
---------------------	--	---------

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds

The cost of capital assets is	226,762,634	
Accumulated depreciation is	<u>127,991,917</u>	98,770,717

Long-term liabilities, including bonds payable, are not due and payable in
the current period and therefore are not reported as liabilities in the funds.
Long term liabilities at year end consist of:

General obligation bonds payable	33,441,654	
Loans payable	118,670	
Interest payable	294,311	
Compensated absences payable	<u>479,262</u>	<u>[34,333,897]</u>

Net Assets of Governmental Activities		<u>\$ 75,935,699</u>
---------------------------------------	--	----------------------

CITY OF EMPORIA, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2007

	General	Industrial Development Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 9,996,239	\$ -	\$ 2,330,530	\$ 691,785	\$ 13,018,554
Charges for services	1,725,796	-	-	-	1,725,796
Special assessments	-	-	68,661	-	68,661
Intergovernmental	284,799	48,387	-	1,758,791	2,091,977
Licenses and permits	310,062	-	-	-	310,062
Fines and fees	701,957	-	-	-	701,957
Use of money and property	179,122	57,079	56,487	346,593	639,281
Contributions	-	-	-	183,644	183,644
Miscellaneous	135,593	5,725	4,815	1,664,888	1,811,021
Total revenues	<u>13,333,568</u>	<u>111,191</u>	<u>2,460,493</u>	<u>4,645,701</u>	<u>20,550,953</u>
EXPENDITURES:					
Current					
General government	1,316,883	-	-	669,471	1,986,354
Public safety	8,372,182	-	-	42,249	8,414,431
Highways and streets	769,666	-	-	710,080	1,479,746
Culture and recreation	1,449,680	-	-	708,670	2,158,350
Health and environment	-	-	-	72,475	72,475
Building maintenance	939,756	-	-	-	939,756
Planning and development	315,971	2,407,379	-	1,723,982	4,447,332
Airport operations	463,628	-	-	-	463,628
Appropriation	75,474	-	-	-	75,474
Capital outlay	-	-	-	4,166,044	4,166,044
Debt service					
Bond issuance costs	-	-	38,527	-	38,527
Principal	-	24,960	1,923,243	-	1,948,203
Interest and other charges	-	2,748	1,013,200	32,174	1,048,122
Total expenditures	<u>13,703,240</u>	<u>2,435,087</u>	<u>2,974,970</u>	<u>8,125,145</u>	<u>27,238,442</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[369,672]</u>	<u>[2,323,896]</u>	<u>[514,477]</u>	<u>[3,479,444]</u>	<u>[6,687,489]</u>
OTHER FINANCING SOURCES [USES]					
Transfers in	1,940,959	650,522	454,076	464,801	3,510,358
Transfers out	[1,253,204]	[67,613]	-	[218,121]	[1,538,938]
Payment to escrow agent	-	-	[156,988]	-	[156,988]
Bond refunding	-	-	[3,720,000]	-	[3,720,000]
Bond premium	-	-	103,588	-	103,588
Sale of bonds	724,454	1,535,472	3,811,927	4,128,147	10,200,000
Total other financing sources [uses]	<u>1,412,209</u>	<u>2,118,381</u>	<u>492,603</u>	<u>4,374,827</u>	<u>8,398,020</u>
Net change in fund balances	<u>1,042,537</u>	<u>[205,515]</u>	<u>[21,874]</u>	<u>895,383</u>	<u>1,710,531</u>
Fund balance - Beginning of year	1,400,372	1,104,142	249,058	6,242,585	8,996,157
Prior period adjustment	<u>[126,950]</u>	-	-	-	<u>[126,950]</u>
Fund balance - Beginning of year, restated	<u>1,273,422</u>	<u>1,104,142</u>	<u>249,058</u>	<u>6,242,585</u>	<u>8,869,207</u>
Fund balance - End of year	<u>\$ 2,315,959</u>	<u>\$ 898,627</u>	<u>\$ 227,184</u>	<u>\$ 7,137,968</u>	<u>\$ 10,579,738</u>

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

Total Net Change In Fund Balances - Governmental Funds \$ 1,710,531

Amounts reported for governmental activities in the
statement of activities are different because

Capital outlays to purchase or build assets are reported in governmental funds
as expenditures. However, for governmental activities those costs are shown
in the statement of net assets and allocated over their estimated useful lives
as annual depreciation expenses in the statement of activities. This is the
amount by which capital outlays exceeds depreciation in the period.

Capital outlays	2,338,512	
Loss on sale of capital assets	[85,952]	
Depreciation expense	<u>[7,761,349]</u>	[5,508,789]

Internal service funds are used by management to charge the costs of certain
activities, such as insurance, to individual funds. The revenues and expenses
of certain internal service funds are included in governmental activities in the
statement of activities.

[185,516]

Interest on long-term debt in the statement of activities differs from the amount
reported in the governmental funds because interest is recorded as an
expenditure in the funds when it is due, and thus requires the use of current
financial resources. In the statement of activities, however, interest expense
is recognized as the interest accrues, regardless of when it is due. This is
the amount by which interest decreased.

33,326

Bond issuance costs are recorded as expenditures in the fund financial
statements. However, for the statement of net assets, these costs are shown
as assets and amortized over the life of the bonds.

195,515

Some expenses reported in the statement of activities, such as compensated
absences, do not require the use of current financial resources and therefore
are not reported as expenditures in governmental funds.

[22,269]

Proceeds of bonds is a revenue in the governmental funds, but
it increases long-term liabilities in the statement of net assets and does not
affect the statement of activities.

[10,303,588]

Repayment of loan principal is an expenditure in the governmental funds, but
it reduces long-term liabilities in the statement of net assets and does not
affect the statement of activities.

24,960

Repayment of bond principal is an expenditure in the governmental funds, but
it reduces long-term liabilities in the statement of net assets and does not
affect the statement of activities.

5,643,243

Changes In Net Assets of Governmental Activities

\$ [8,412,587]

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes	\$ 9,996,239	\$ -	\$ 9,996,239	\$ 10,076,273	\$ 9,846,268	\$ 149,971
Intergovernmental	284,799	-	284,799	376,350	362,850	[78,051]
Licenses and permits	310,062	-	310,062	173,800	173,800	136,262
Charges for services	1,725,796	-	1,725,796	2,168,250	2,168,250	[442,454]
Fines and fees	701,957	-	701,957	764,500	764,500	[62,543]
Use of money and property	179,122	-	179,122	143,150	143,150	35,972
Reimbursements	-	-	-	77,500	77,500	[77,500]
Miscellaneous	135,593	-	135,593	1,543,495	1,543,495	[1,407,902]
Total revenues	13,333,568	-	13,333,568	15,323,318	15,079,813	[1,746,245]
EXPENDITURES:						
Current						
General government	1,316,883	30,096	1,346,979	1,273,547	1,305,492	[41,487]
Public safety						
Law enforcement	4,035,009	[2,946]	4,032,063	4,297,274	4,617,274	585,211
Animal control	126,926	-	126,926	-	-	[126,926]
Court services	459,407	-	459,407	508,008	508,008	48,601
Ambulance	1,925,473	-	1,925,473	-	210,000	[1,715,473]
Fire	1,825,367	4,169	1,829,536	3,819,417	4,029,417	2,199,881
Total public safety	8,372,182	1,223	8,373,405	8,624,699	9,364,699	991,294
Highways and streets						
Maintenance						
Maintenance	549,434	[26,271]	523,163	621,335	621,335	98,172
Snow removal	28,326	-	28,326	-	-	[28,326]
Street lighting	191,906	-	191,906	195,000	195,000	3,094
Total highways and streets	769,666	[26,271]	743,395	816,335	816,335	72,940
Culture and recreation						
Park	\$ 538,775	\$ -	\$ 538,775	\$ 1,021,909	\$ 1,021,909	\$ 483,134
Swimming Pool/Peter Pan Park	95,113	-	95,113	-	-	[95,113]
Golf course	309,304	2,060	311,364	617,347	617,347	305,983
Golf shop	183,241	-	183,241	-	-	[183,241]
Zoo	323,247	-	323,247	-	-	[323,247]
Total culture and recreation	1,449,680	2,060	1,451,740	1,639,256	1,639,256	187,516

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND, CONTINUED
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
EXPENDITURES - continued:						
Current - continued						
Building maintenance						
Engineering	306,156	-	306,156	440,243	440,243	134,087
Grounds maintenance	59,603	-	59,603	-	-	[59,603]
Civic building	495,075	-	495,075	629,250	629,250	134,175
Library maintenance	78,922	-	78,922	-	-	[78,922]
Total building maintenance	939,756	-	939,756	1,069,493	1,069,493	129,737
Planning and development	315,971	-	315,971	-	-	[315,971]
Airport operations	463,628	20,053	483,681	416,025	416,025	[67,656]
Appropriations	75,474	-	75,474	84,000	84,000	8,526
Total expenditures	13,703,240	27,161	13,730,401	13,923,355	14,695,300	964,899
Excess [deficiency] of revenues over [under] expenditures	[369,672]	[27,161]	[396,833]	1,399,963	384,513	[781,346]
OTHER FINANCING SOURCES [USES]:						
Sale of bonds	724,454	-	724,454	-	730,320	[5,866]
Transfers in	1,940,959	-	1,940,959	-	-	1,940,959
Transfers out	[1,253,204]	-	[1,253,204]	[1,004,700]	[1,004,700]	[248,504]
Total other financing sources [uses]	1,412,209	-	1,412,209	[1,004,700]	[274,380]	1,686,589
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	1,042,537	[27,161]	1,015,376	\$ 395,263	\$ 110,133	\$ 905,243
FUND BALANCE - Beginning of year	1,400,372	[53,991]	1,346,381			
Prior period adjustment	[126,950]	-	[126,950]			
Fund balance - Beginning of year, restated	1,273,422	[53,991]	1,219,431			
FUND BALANCE - End of year	\$2,315,959	\$ [81,152]	\$2,234,807			

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
INDUSTRIAL DEVELOPMENT SALES TAX FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 48,387	\$ -	\$ 48,387	\$ 629,105	\$ 629,105	\$ [580,718]
Use of money and property	57,079	-	57,079	15,049	15,049	42,030
Miscellaneous	<u>5,725</u>	<u>-</u>	<u>5,725</u>	<u>-</u>	<u>-</u>	<u>5,725</u>
Total revenues	<u>111,191</u>	<u>-</u>	<u>111,191</u>	<u>644,154</u>	<u>644,154</u>	<u>[532,963]</u>
EXPENDITURES:						
Current						
Planning and development						
Contractual services	2,407,379	93,150	2,500,529	1,822,860	2,566,748	66,219
Debt service						
Principal	24,960	-	24,960	30,504	30,504	5,544
Interest and other charges	<u>2,748</u>	<u>-</u>	<u>2,748</u>	<u>2,748</u>	<u>2,748</u>	<u>-</u>
Total expenditures	<u>2,435,087</u>	<u>93,150</u>	<u>2,528,237</u>	<u>1,856,112</u>	<u>2,600,000</u>	<u>71,763</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[2,323,896]</u>	<u>[93,150]</u>	<u>[2,417,046]</u>	<u>[1,211,958]</u>	<u>[1,955,846]</u>	<u>[461,200]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	650,522	-	650,522	-	-	650,522
Transfers out	[67,613]	-	[67,613]	-	-	[67,613]
Sale of bonds	<u>1,535,472</u>	<u>-</u>	<u>1,535,472</u>	<u>135,000</u>	<u>1,635,000</u>	<u>[99,528]</u>
Total other financing sources [uses]	<u>2,118,381</u>	<u>-</u>	<u>2,118,381</u>	<u>135,000</u>	<u>1,635,000</u>	<u>483,381</u>
Excess of revenues over [under] expenditures and other financing [uses]	<u>[205,515]</u>	<u>[93,150]</u>	<u>[298,665]</u>	<u>\$ [1,076,958]</u>	<u>\$ [320,846]</u>	<u>\$ 22,181</u>
FUND BALANCE - Beginning of year	<u>1,104,142</u>	<u>-</u>	<u>1,104,142</u>			
FUND BALANCE - End of year	<u>\$ 898,627</u>	<u>\$ [93,150]</u>	<u>\$ 805,477</u>			

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2007

	Business-Type Activities: Enterprise Funds				Internal Service Funds
	Solid Waste Disposal	Sewer Utility	Water Utility	Total Enterprise Funds	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 726,045	\$ 1,338,954	\$ 1,251,872	\$ 3,316,871	\$ 221,016
Investments	-	-	-	-	976,000
Receivables (net of allowance for uncollectibles)	277,493	352,730	447,824	1,078,047	-
Inventory	-	-	302,632	302,632	-
Deferred charges	-	-	299,318	299,318	-
Total current assets	<u>1,003,538</u>	<u>1,691,684</u>	<u>2,301,646</u>	<u>4,996,868</u>	<u>1,197,016</u>
Capital assets:					
Land	102,625	7,702	100,198	210,525	-
Capital assets	3,747,459	34,657,004	27,704,682	66,109,145	-
Less: accumulated depreciation	<u>1,821,582</u>	<u>15,210,055</u>	<u>12,501,668</u>	<u>29,533,305</u>	-
Total capital assets	<u>2,028,502</u>	<u>19,454,651</u>	<u>15,303,212</u>	<u>36,786,365</u>	-
Total assets	<u>\$ 3,032,040</u>	<u>\$ 21,146,335</u>	<u>\$ 17,604,858</u>	<u>\$ 41,783,233</u>	<u>\$ 1,197,016</u>
Liabilities:					
Current liabilities (payable from current assets):					
Accounts payable	\$ 98,409	\$ 41,633	\$ 113,102	\$ 253,144	\$ 14,188
Accrued liabilities	231,478	24,095	30,276	285,849	-
Interest payable	-	345	52,732	53,077	-
Unpaid claims	-	-	-	-	459,202
Current portion of compensated absences payable	15,272	10,542	68,465	94,279	-
Current portion of notes payable	-	509,326	201,280	710,606	-
Current portion of general obligation bonds payable	<u>22,643</u>	-	<u>520,000</u>	<u>542,643</u>	-
Total current liabilities (payable from current assets)	<u>367,802</u>	<u>585,941</u>	<u>985,855</u>	<u>1,939,598</u>	<u>473,390</u>
Noncurrent liabilities:					
General obligation bonds payable	69,292	-	3,795,000	3,864,292	-
Notes payable	-	9,084,239	3,168,946	12,253,185	-
Total noncurrent liabilities	<u>69,292</u>	<u>9,084,239</u>	<u>6,963,946</u>	<u>16,117,477</u>	-
Total liabilities	<u>\$ 437,094</u>	<u>\$ 9,670,180</u>	<u>\$ 7,949,801</u>	<u>\$ 18,057,075</u>	<u>\$ 473,390</u>
Net Assets					
Invested in capital assets, net of related debt	\$ 1,936,567	\$ 9,861,086	\$ 7,617,986	\$ 19,415,639	\$ -
Unrestricted	<u>658,379</u>	<u>1,615,069</u>	<u>2,037,071</u>	<u>4,310,519</u>	<u>723,626</u>
Total net assets	<u>\$ 2,594,946</u>	<u>\$ 11,476,155</u>	<u>\$ 9,655,057</u>	<u>\$ 23,726,158</u>	<u>\$ 723,626</u>

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2007

	Business-Type Activities: Enterprise Funds				
	Solid Waste Disposal	Sewer Utility	Water Utility	Total Enterprise Funds	Internal Service Funds
Operating revenues					
Charges for services	\$ 3,060,494	\$ 3,682,590	\$ 4,592,153	\$ 11,335,237	\$ 1,978,928
Miscellaneous	5,130	6,577	4,314	16,021	-
Total operating revenues	<u>3,065,624</u>	<u>3,689,167</u>	<u>4,596,467</u>	<u>11,351,258</u>	<u>1,978,928</u>
Operating expenses					
Personal services	1,131,479	569,845	615,273	2,316,597	-
Contractual services	869,862	746,508	1,330,738	2,947,108	2,238,640
Commodities	396,668	42,615	478,996	918,279	-
Capital outlay	-	79,072	-	79,072	-
Depreciation	212,489	1,191,021	747,411	2,150,921	-
Other	18,838	11,271	18,254	48,363	-
Total operating expenses	<u>2,629,336</u>	<u>2,640,332</u>	<u>3,190,672</u>	<u>8,460,340</u>	<u>2,238,640</u>
Operating income [loss]	<u>436,288</u>	<u>1,048,835</u>	<u>1,405,795</u>	<u>2,890,918</u>	<u>[259,712]</u>
Nonoperating revenues [expenses]					
Interest income	28,514	41,874	426,259	496,647	74,196
Interest expense	-	[312,100]	[373,386]	[685,486]	-
Gain [loss] on disposal of assets	239,739	[6,862]	[7,543]	225,334	-
Total nonoperating revenues [expenses]	<u>268,253</u>	<u>[277,088]</u>	<u>45,330</u>	<u>36,495</u>	<u>74,196</u>
Income [loss] before operating transfers	<u>704,541</u>	<u>771,747</u>	<u>1,451,125</u>	<u>2,927,413</u>	<u>[185,516]</u>
Transfers from [to] other funds					
Transfers out	<u>[545,322]</u>	<u>[717,156]</u>	<u>[708,942]</u>	<u>[1,971,420]</u>	<u>-</u>
Total transfers	<u>[545,322]</u>	<u>[717,156]</u>	<u>[708,942]</u>	<u>[1,971,420]</u>	<u>-</u>
Change in net assets	<u>159,219</u>	<u>54,591</u>	<u>742,183</u>	<u>955,993</u>	<u>[185,516]</u>
Net assets, January 1	2,435,727	11,421,564	8,662,343	22,519,634	909,142
Prior period adjustment	-	-	250,531	250,531	-
Net assets, January 1, restated	<u>2,435,727</u>	<u>11,421,564</u>	<u>8,912,874</u>	<u>22,770,165</u>	<u>909,142</u>
Net assets, December 31	<u>\$ 2,594,946</u>	<u>\$ 11,476,155</u>	<u>\$ 9,655,057</u>	<u>\$ 23,726,158</u>	<u>\$ 723,626</u>

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2007

	Business-Type Activities: Enterprise Funds				
	Solid Waste Disposal	Sewer Utility	Water Utility	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities					
Cash received from customers and users	\$ 3,100,381	\$ 3,606,794	\$ 4,564,761	\$ 11,271,936	\$ 1,978,928
Cash payments to employees for services	[1,138,262]	[569,301]	[595,421]	[2,302,984]	-
Cash payments to other suppliers of goods or services	[1,283,006]	[897,503]	[1,771,574]	[3,952,083]	[2,242,899]
Other operating receipts	5,130	6,577	4,314	16,021	-
Net cash provided by [used in] operating activities	684,243	2,146,567	2,202,080	5,032,890	[263,971]
Cash flows from noncapital financing activities					
Transfers [to] other funds	[545,322]	[717,156]	[708,942]	[1,971,420]	-
Net cash provided by [used in] noncapital financing activities	[545,322]	[717,156]	[708,942]	[1,971,420]	-
Cash flows from capital and related financing activities					
Purchase and construction of capital assets	[208,666]	[100,789]	[379,330]	[688,785]	-
Principal paid on bonds and notes	[21,757]	[493,721]	[428,332]	[943,810]	-
Interest paid	-	[312,100]	[377,650]	[689,750]	-
Proceeds from sale of salvage	246,604	-	-	246,604	-
Net cash provided by [used in] capital and related financing activities	16,181	[906,610]	[1,185,312]	[2,075,741]	-
Cash flows from investing activities					
Interest on investments	28,514	41,874	426,259	496,647	74,196
Proceeds from sale of investments	-	-	-	-	1,195,642
Purchase of investments	-	-	-	-	[976,000]
Net cash provided by [used in] investing activities	28,514	41,874	426,259	496,647	293,838
Net increase [decrease] in cash and cash equivalents	183,616	564,675	734,085	1,482,376	29,867
Cash and cash equivalents - Beginning of year	542,429	774,279	517,787	1,834,495	191,149
Cash and cash equivalents - End of year	\$ 726,045	\$ 1,338,954	\$ 1,251,872	\$ 3,316,871	\$ 221,016

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS
STATEMENT OF CASH FLOWS, CONTINUED
PROPRIETARY FUNDS
For the Year Ended December 31, 2007

	Business-Type Activities: Enterprise Funds				Internal Service Funds
	Solid Waste Disposal	Sewer Utility	Water Utility	Total Enterprise Funds	
Cash and cash equivalents	\$ 726,045	\$ 1,338,954	\$ 1,251,872	\$ 3,316,871	\$ 221,016
Total cash and cash equivalents	\$ 726,045	\$ 1,338,954	\$ 1,251,872	\$ 3,316,871	\$ 221,016
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities					
Operating income [loss]	\$ 436,288	\$ 1,048,835	\$ 1,405,795	\$ 2,890,918	\$ [259,712]
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Depreciation	212,489	1,191,021	747,411	2,150,921	-
Change in assets and liabilities					
(Increase) decrease in receivables	39,887	[75,796]	[27,392]	[63,301]	-
(Increase) decrease in deferred charges	-	-	33,636	33,636	-
(Increase) decrease in inventory	-	-	[4,023]	[4,023]	-
Increase [decrease] in accounts payable	2,362	[18,037]	26,801	11,126	[4,259]
Increase [decrease] in accrued liabilities	[7,435]	1,320	863	[5,252]	-
Increase [decrease] in accrued compensation	652	[776]	18,989	18,865	-
Net cash provided by [used in] operating activities	\$ 684,243	\$ 2,146,567	\$ 2,202,080	\$ 5,032,890	\$ [263,971]

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2007

	Private Purpose <u>Trust</u>	Agency <u>Funds</u>
Assets		
Cash and cash equivalents	\$ 637,107	\$ 9,292
Accrued interest receivable	1,514	-
Notes receivable	<u>392,138</u>	<u>-</u>
 Total Assets	 <u>\$ 1,030,759</u>	 <u>\$ 9,292</u>
Liabilities		
Accounts payable	\$ <u>-</u>	\$ <u>9,292</u>
 Total Liabilities	 <u>-</u>	 <u>9,292</u>
Net assets		
Reserved for economic development	1,027,871	-
Unreserved		
Undesignated	<u>2,888</u>	<u>-</u>
 Total liabilities and net assets	 <u>\$ 1,030,759</u>	 <u>\$ 9,292</u>

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Year Ended December 31, 2007

	Private Purpose <u>Trust</u>
Additions:	
Interest Income	\$ 51,651
Total Additions	<u>51,651</u>
Deductions	<u>328</u>
Change in net assets	51,323
Net assets, January 1	<u>979,436</u>
Net assets, December 31	<u>\$ 1,030,759</u>

The notes to the financial statements are an integral part of this statement.

CITY OF EMPORIA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Emporia is a municipal corporation governed by five elected commissioners. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separated from the government. The discretely presented component unit has a December 31 year end.

Discretely Presented Component Unit

Emporia Public Library - The Emporia Public Library (Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Because the Library is not a separate taxing entity, the City levies tax for the Library's operations. The City appropriated \$708,670 to the Library in 2007. Complete financial statements may be obtained at the Emporia Public Library, 110 E. 6th Avenue, Emporia, Kansas.

Jointly Governed Organization

Regional Development Association of East Central Kansas, Inc. - The Regional Development Association of East Central Kansas, Inc., (RDA) is a not-for-profit corporation whose purpose is to benefit the public interest through the activity of business and economic development in the City and Lyon County, Kansas. The RDA's governing board consists of seven voting members, two of whom are appointed by the City. The City has entered into a contract under which the City appropriates funds to the RDA which are used for business and economic development. The City has no ongoing financial interest or responsibilities with respect to the RDA.

Emporia Recreation Commission - The Emporia Recreation Commission was established as a joint venture between the City of Emporia, Kansas and Unified School District Number 253, Emporia, Kansas. The governing Board consists of one member from the Emporia City Commission, one member from the Unified School District Number 253 Board of Education, one member appointed by the Emporia City Commission, one member appointed by Unified School District Number 253 Board of Education and one at large Board member appointed by the other four appointed members of the Recreation Commission Board.

B. Government-wide and fund financial statements

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Government-wide and fund financial statements - Continued

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, APB Opinions, and ARBs.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The internal service funds account for contributions made by the City to be used for paying claims for job related injuries as well as contributions made by the City, City employees and former City employees to be used for payment of medical claims of covered employee health care participants and additional health insurance premiums.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

The private purpose trust funds are used to account for resources legally held in trust. Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting. The following activities are accounted for in each fiduciary fund:

Tree Private Purpose Trust Fund - To account for monies provided by private donors to finance planting of trees.

Fremont Park Private Purpose Trust Fund - To account for the money donated to the City for the purpose of building a display shelter for the railroad engine and caboose at Fremont Park.

Las Casitas Park Private Purpose Trust Fund - To account for monies provided by private donors to finance improvements to the Las Casitas Park.

Dog Park Private Purpose Trust Fund - To account for monies provided by private donors to finance a dog park.

Economic Development Private Purpose Trust Fund - To provide a financial resource which enhances the City's ability to attract new economic development projects by lending money to businesses that is repaid with interest.

Fire Insurance Proceeds Agency Fund - To account for a portion of insurance proceeds from fire and casualty losses to structures within the City. Proceeds are returned to property owners upon substantial completion of repairs or demolition of structure.

The City reports the following major governmental funds:

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

The Industrial Development Sales Tax Fund is used to account for the sales tax receipts related to industrial development and expenditures also related to industrial development. Receipts of retail sales taxes are deposited in the General Fund, and the portion related to this activity is then transferred to this fund.

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

The City reports the following major proprietary funds:

Solid Waste Disposal Fund accounts for funds derived from customer service charges for solid waste disposal. All activities necessary to provide such services are accounted for in this fund.

Sewer Utility Fund is used to account for all sewer operations including administration, maintenance, financing and related debt service and billing collection. All operations are financed by means of customer user fees which are established by the governing body.

CITY OF EMPORIA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Water Utility Fund is used to account for the provision of water service to the residents of the City and some customers outside the City. All activities necessary to provide water service are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing collection.

D. Assets, Liabilities and Equity

1. Pooled Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds managed by the City (except for investments of the employees' health insurance trust and workers' compensation fund). The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Cash balances from all funds are invested to the extent available in certificates of deposit and other authorized investments. Investments with maturity dates greater than three months are stated separately. Earnings from these investments, unless specifically designated, are allocated monthly to the investing fund based on the percentage of funds invested to total investments.

2. Receivables and Payables

Transactions between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables / payables" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds". Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectibles, if applicable.

Property taxes receivable - The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The office of the County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2008 in the governmental fund financial statements. It is not practicable to apportion delinquent taxes held by the County Treasurer and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity - Continued

3. Inventories

Inventories are valued at cost using the first-in / first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

5. Restricted Assets

Cash in the Debt Service fund held with the fiscal agent are restricted for payment of principal and interest on general obligation bonds.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment of the primary government, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-75
Land improvements	20-75
Building improvements	20-75
Machinery and equipment	5-10
Office equipment	5-10
Infrastructure	20-75

CITY OF EMPORIA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity - Continued

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in the government-wide and proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The General Fund has been used to liquidate the governmental funds compensated absences in prior years.

8. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. Landfill Post-closure Care Liability

State and federal laws and regulations required the City to place a final cover on its landfill site, which was closed during 1994, and to perform certain maintenance and monitoring activities at the site for thirty years after closure. The amount reported as landfill post-closure care liability at December 31, 2007 represents what it would cost to perform all post-closure care in 2007. The actual costs may be higher due to inflation, changes in technology or changes in regulations. The City intends to fund these costs internally.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity - Continued

12. Deferred Revenue

The City reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized on the statement of revenues, expenditures and changes in fund balances.

13. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted from statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

- a) Preparation of the budget for the succeeding calendar year on or before August 1st of each year.
- b) Publication in a local newspaper of the proposed budget and the notice of public hearing on the budget on or before August 5th.
- c) Public hearing on or before August 15th of each year, but at least ten days after publication of the notice of hearing.
- d) Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2007 budget was amended for the General, Convention and Tourism, Industrial Development Sales Tax, Special Park and Recreation, Special Street and the Sewer Utility Funds.

The statutes permit management to transfer budgeted amounts between line items and departments within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

CITY OF EMPORIA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All encumbered appropriations (legal budget expenditures authority) lapse at year end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special revenue funds: Housing CDBG Grant, Housing Study RDA, Emergency Shelter, Telephone Tax-911, Law Enforcement Block Grant, Home Owners Rehab, DARE Crime Prevention, Home Rehab, Lake Kahola, Wireless 911 Tax and 2003 Home Rehab. Spending in funds which are not subject to the legal annual operating budget requirements are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary

	Major Governmental Funds			Other	Total
	General	Industrial	Debt	Nonmajor	Total
	Fund	Development	Service	Governmental	Governmental
	<u>Fund</u>	<u>Sales Tax Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
GAAP FUND BALANCE					
December 31, 2007	\$ 2,315,959	\$ 898,627	\$ 227,184	\$ 7,137,968	\$ 10,579,738
Adjustments:					
Unreserved fund balances not subject to the Kansas Budget Law:					
Housing CDBG Grant	-	-	-	[4,712]	[4,712]
Housing Study RDA	-	-	-	[1,694]	[1,694]
Telephone Tax 911	-	-	-	[27,611]	[27,611]
Law Enforcement Block Grant	-	-	-	[11,878]	[11,878]
Home Owners Rehab	-	-	-	[11,591]	[11,591]
DARE Crime Prevention	-	-	-	[1,687]	[1,687]
Home Rehab	-	-	-	[4,516]	[4,516]
Lake Kahola	-	-	-	[70,372]	[70,372]
Wireless 911 Tax	-	-	-	[86,590]	[86,590]
2003 Home Rehab	-	-	-	[36,299]	[36,299]
Internal Improvements	-	-	-	[212,468]	[212,468]
Ball Diamonds	-	-	-	[7,909]	[7,909]
Park Improvement Project	-	-	-	38,414	38,414
Biodiesel Plant Project	-	-	-	[625,641]	[625,641]
Civic Auditorium Improvement	-	-	-	[22,436]	[22,436]
Prairie Pedestrian Bridge	-	-	-	[1,970,014]	[1,970,014]
Traffic Signals	-	-	-	[80,340]	[80,340]
Paving Projects	-	-	-	[2,723,617]	[2,723,617]
Construction Projects	-	-	-	[223,564]	[223,564]
Special Assessment	-	-	-	[190,964]	[190,964]
Airport Improvement	-	-	-	[227,935]	[227,935]
Recreation Center Improvement	-	-	-	[221,242]	[221,242]
Reserve for encumbrances	[81,152]	[93,150]	-	[22,603]	[196,905]
Total deductions	[81,152]	[93,150]	-	[6,747,269]	[6,921,571]
BUDGETARY FUND BALANCE					
December 31, 2007	\$ 2,234,807	\$ 805,477	\$ 227,184	\$ 390,699	\$ 3,658,167

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

	Major Business-Type Funds			Total Business-Type Funds
	Solid Waste Disposal Fund	Sewer Utility Fund	Water Utility Fund	
CHANGE IN NET ASSETS				
December 31, 2007	\$ 159,219	\$ 54,591	\$ 742,183	\$ 955,993
Adjustments:				
Capital assets	[208,666]	[100,789]	[379,330]	[688,785]
Loss on sale of assets	-	-	7,543	7,543
Depreciation	212,489	1,191,021	747,411	2,150,921
Total deductions	3,823	1,090,232	375,624	1,469,679
BUDGETARY CHANGE IN NET ASSETS				
December 31, 2007	\$ 163,042	\$ 1,144,823	\$ 1,117,807	\$ 2,425,672

B. Compliance with Kansas Statutes

The following fund had deficit fund equity at December 31, 2007: Park Improvement Project - \$38,414.

The deficit in the capital project fund will be recovered from the receipt of bond proceeds and/or grant moneys.

III. RESTATEMENT OF EQUITY

After the beginning of the year, various accrued liabilities were found to be incorrectly recorded in the prior year financial statements in the Water Utility Fund. Also, the Governmental Activities net assets have been adjusted to properly record asset accounts incorrectly recorded in the prior year financial statements. The effects of which are as follows:

	Water Utility Fund	Governmental Activities
Fund Balance/Net Assets As Originally Reported, December 31, 2006	\$ 8,662,343	\$ 84,475,236
Prior period adjustment	250,531	[126,950]
Fund Balance As Adjusted, December 31, 2006	\$ 8,912,874	\$ 84,348,286

CITY OF EMPORIA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that at the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes, the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 12-1675 or include other investments such as the KMIP, direct obligations of the US government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in KSA 10-131.

At December 31, 2007, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>(Years)</u>
Kansas Municipal Investment Pool	<u>\$ 4,780,599</u>	S&P AA+/S1+	0.003

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the US government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate risk or custodial credit risks beyond state statutes.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. The Kansas State Treasurer's Fiscal Agency Department held an unsecured and uncollateralized deposit of \$16,041.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS - Continued

A. Deposits and Investments

Component Unit. At year-end, the carrying amount of the Library's cash, including certificates of deposit and cash on hand, was \$360,175 and the bank balance was \$317,994. The difference between the carrying amount and the bank balance was outstanding checks, deposits in transit and cash on hand. Of the bank balance, \$199,669 was covered by federal depository insurance and the remaining \$118,325 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the Library's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the Library, the pledging bank, and the independent third-party bank holding the pledged securities.

B. Receivables

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Solid Waste Disposal</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Other Governmental</u>	<u>Total</u>
Receivables:							
Accounts	\$ 968,651	\$ -	\$ 286,090	\$ 366,774	\$ 458,633	\$ 48,134	\$ 2,128,282
Taxes	<u>3,667,016</u>	<u>2,002,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>643,747</u>	<u>6,313,568</u>
Gross Receivables	4,635,667	2,002,805	286,090	366,774	458,633	691,881	8,441,850
Less: allowance for uncollectibles	<u>93,896</u>	<u>-</u>	<u>8,597</u>	<u>14,044</u>	<u>10,809</u>	<u>-</u>	<u>127,346</u>
Total	<u>\$ 4,541,771</u>	<u>\$ 2,002,805</u>	<u>\$ 277,493</u>	<u>\$ 352,730</u>	<u>\$ 447,824</u>	<u>\$ 691,881</u>	<u>\$ 8,314,504</u>

C. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2007, is as follows:

<u>Fund Types</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 38,414	\$ -
Capital Projects:		
Park Improvement Project	<u>-</u>	<u>38,414</u>
	<u>\$ 38,414</u>	<u>\$ 38,414</u>

The City uses interfund receivables and payables as needed when pooled cash is negative within a fund until investments mature or grant proceeds are received. All payables are cleared in less than one year.

CITY OF EMPORIA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS - Continued

D. Capital Assets

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance 12/31/2006	Additions/ Restatements	Retirements	Balance 12/31/2007
City governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,683,849	\$ -	\$ -	\$ 1,683,849
Construction in progress	150,899	1,041,518	[121,497]	1,070,920
Capital assets, being depreciated				
Land improvements	202,169,762	1,197,770	[69,091]	203,298,441
Buildings and improvements	12,980,499	47,538	[107,342]	12,920,695
Vehicles	2,739,893	77,996	[162,929]	2,654,960
Equipment, furniture and fixtures	5,298,895	95,187	[260,313]	5,133,769
Total capital assets	225,023,797	2,460,009	[721,172]	226,762,634
Less accumulated depreciation for:				
Land improvements	106,958,030	6,829,191	[10,426]	113,776,795
Buildings and improvements	7,182,575	362,523	[93,992]	7,451,106
Vehicles	2,291,153	159,936	[162,929]	2,288,160
Equipment, furniture and fixtures	4,312,533	409,699	[246,376]	4,475,856
Total accumulated depreciation	120,744,291	7,761,349	[513,723]	127,991,917
Governmental activities capital assets, net	\$ 104,279,506	\$ [5,301,340]	\$ [207,449]	\$ 98,770,717
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 14,469	\$ 79,088	\$ [93,557]	\$ -
Land	210,525	-	-	210,525
Capital assets, being depreciated				
Land improvements	35,781,731	452,321	[272,963]	35,961,089
Buildings and improvements	19,398,064	-	-	19,398,064
Vehicles	7,440,219	221,556	[125,307]	7,536,468
Equipment, furniture and fixtures	3,268,969	14,907	[70,352]	3,213,524
Total capital assets	66,113,977	767,872	[562,179]	66,319,670
Less accumulated depreciation for:				
Land improvements	14,377,468	912,313	[266,511]	15,023,270
Buildings and improvements	6,895,496	521,518	-	7,417,014
Vehicles	4,088,859	55,558	[125,307]	4,019,110
Equipment, furniture and fixtures	2,467,913	661,532	[55,534]	3,073,911
Total accumulated depreciation	27,829,736	2,150,921	[447,352]	29,533,305
Business-type activities capital assets, net	\$ 38,284,241	\$ [1,383,049]	\$ [114,827]	\$ 36,786,365

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS - Continued

D. Capital Assets - Continued

The City's depreciation expense was charged as follows:

Governmental Activities:	
General government	\$ 130,319
Public safety	266,341
Highways and streets	6,653,114
Culture and recreation	540,869
Airport operations	<u>170,706</u>
Total depreciation	<u>\$ 7,761,349</u>
Business-type Activities:	
Solid Waste Disposal	\$ 212,489
Sewer Utility	1,191,021
Water Utility	<u>747,411</u>
Total depreciation	<u>\$ 2,150,921</u>

E. Long-Term Debt

During the year ended December 31, 2007, the following changes, including the reallocation of the general obligation bonds outstanding between governmental and business-type activities, occurred in long term liabilities:

Governmental Activities

	Balance January 1, 2007	Additions/ Adjustments	Reductions	Balance December 31, 2007	Amounts Due Within One Year
General obligation bonds	\$ 23,961,309	\$ 8,833,588	\$ 5,643,243	\$ 27,151,654	\$ 2,210,945
Temporary note	4,820,000	1,470,000	-	6,290,000	4,820,000
Loans	143,630	-	24,960	118,670	24,468
Compensated absences	<u>456,993</u>	<u>488,763</u>	<u>466,494</u>	<u>479,262</u>	<u>479,262</u>
	<u>\$ 26,463,438</u>	<u>\$ 10,792,351</u>	<u>\$ 6,134,697</u>	<u>\$ 34,039,586</u>	<u>\$ 7,534,675</u>

Business-type Activities

General obligation bonds	\$ 4,928,691	\$ -	\$ 521,756	\$ 4,406,935	\$ 542,643
Notes payable	13,650,842	-	687,051	12,963,791	710,606
Compensated absences	<u>75,415</u>	<u>146,853</u>	<u>127,989</u>	<u>94,279</u>	<u>94,279</u>
	<u>\$ 19,966,419</u>	<u>\$ 146,853</u>	<u>\$ 1,336,796</u>	<u>\$ 17,465,005</u>	<u>\$ 1,347,528</u>

CITY OF EMPORIA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

General obligation bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General obligation bonds and notes currently outstanding are as follows:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Bonds Outstanding</u>
<u>Governmental Activities</u>					
1997-A internal improvements	10/1/97	9/1/11	\$ 2,050,000	4.25-6.00%	\$ 540,000
1998 refunding and improvements	12/1/98	9/1/14	3,375,000	3.875-4.75%	1,360,000
2000 internal improvements	12/1/00	9/1/15	4,375,000	4.55-6.00%	625,000
2001-A internal improvements	10/8/01	9/1/16	6,190,000	3.75-5.60%	5,340,000
2002 refunding	8/27/02	9/1/17	3,019,980	3.00-4.30%	1,770,000
2002-B refunding	11/20/02	11/1/12	2,800,000	3.00-3.50%	1,505,000
2003 refunding	8/15/03	9/1/18	1,631,800	3.20-4.65%	1,330,000
2004 internal improvements	9/1/04	9/1/19	3,045,000	3.875-4.10%	2,890,000
2005 internal improvements	10/27/05	9/1/19	3,022,000	3.70-5.00%	2,958,065
2006 temporary notes	10/15/06	10/15/08	4,820,000	4.13%	4,820,000
2007-A internal improvements	10/10/07	9/1/18	3,604,164	5.00-5.60%	3,604,164
2007-B refunding	12/27/07	9/1/19	5,229,425	3.50-5.25%	5,229,425
2007-A temporary notes	12/8/07	9/1/09	1,470,000	3.75%	1,470,000
<u>Business-type Activities</u>					
1998 refunding and improvements	12/1/98	9/1/14	6,195,000	3.875-4.75%	3,715,000
2002 refunding	8/27/02	9/1/17	1,180,020	3.00-4.30%	360,000
2004 internal improvements	9/1/04	9/1/19	265,000	3.875-4.10%	240,000
2005 internal improvements	10/27/05	9/1/19	138,000	3.70-5.00%	91,935
					<u>\$ 37,848,589</u>

Annual debt service requirements to maturity for general obligation bonds and temporary notes are as follows:

<u>Year</u>	<u>Business-type Activities</u>		<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 542,643	\$ 184,193	\$ 7,030,945	\$ 1,068,455
2009	558,566	162,470	3,780,022	1,148,296
2010	589,526	141,025	2,524,062	958,849
2011	616,200	116,323	2,682,388	853,707
2012	615,000	90,670	2,788,588	741,988
2013-2017	1,420,000	115,515	12,062,940	2,003,490
2018-2022	<u>65,000</u>	<u>4,070</u>	<u>2,572,709</u>	<u>139,743</u>
	<u>\$ 4,406,935</u>	<u>\$ 814,266</u>	<u>\$ 33,441,654</u>	<u>\$ 6,914,527</u>

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

Defeased bonds. During 2007, the City issued \$5,229,425 in general obligation refunding and improvement bonds with interest ranging from 3.50 to 5.25% to advance refund \$820,000 of 1999A General Obligation Bonds with interest rates ranging from 5.25 to 5.75% and to advance refund \$2,900,000 of 2000 General Obligation Bonds with interest rates ranging from 4.55 to 6%. The net proceeds were used to establish an escrow account invested in U.S. Government Securities to pay the outstanding principal of the 1999A and 2000 General Obligation Bonds and the interest due on the refunding general obligation bonds. As a result, this portion of the 1999A and 2000 bonds were considered to be defeased and the liability for the defeased bonds has been removed from the City's financial statements. The transaction resulted in an economic gain of \$113,759 and a decrease of \$106,833 in future debt payments.

In prior years, the City had defeased certain outstanding debt obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At December 31, 2007, the following outstanding bonds are considered defeased:

1993-A general obligation bonds	\$ 50,000
1993-B general obligation bonds	375,000
1989 water system revenue bonds	390,000
1994-A water system revenue bonds	3,675,000
1994-B general obligation bonds	350,000
1996-A general obligation bonds	1,000,000
1999-A internal improvements	820,000
2000 internal improvements	<u>2,900,000</u>
Total	<u>\$ 9,560,000</u>

Special assessments. As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Debt Service fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service fund. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

Conduit debt. The City has entered into several conduit debt arrangements wherein the City issues industrial revenue bonds to finance a portion of the construction of facilities by private enterprises. In return, the private enterprises have executed mortgage notes or leases with the City. The City is not responsible for payment of the original bonds, but rather the debt is secured only by the cash payments agreed to be paid by the private enterprises under the terms of the mortgage or lease agreements. Generally, the conduit debt is arranged so that payments required by the private enterprises are equal to the mortgage payment schedule related to the original debt. At December 31, 2007, total outstanding conduit debt was \$12,825,000.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

Notes Payable. Payments began on February 1, 2000, on a 4.07% interest rate loan agreement with the Kansas Department of Health and Environment (KDHE) to fund water system improvements. The annual debt service requirements for this loan, which matures August 1, 2020, are as follows:

Year Ending December 31,	Water Utility Fund
2008	\$ 336,421
2009	336,421
2010	336,421
2011	336,421
2012	336,421
2013-2017	1,682,106
2018-2020	<u>1,009,264</u>
Total Principal and interest	4,373,476
Less: Interest	<u>1,003,251</u>
Total	<u>\$ 3,370,226</u>

Payments began on September 1, 2001, on a 3.19% interest rate loan agreement with the Kansas Department of Health and Environment (KDHE) to fund wastewater treatment plant expansion. The current amount of debt service for this loan is \$3,395,929. Payments began on March 1, 2005, on a 3.10% interest rate loan agreement with the Kansas Department of Health and Environment (KDHE) to fund the second phase of the wastewater treatment plant expansion. The current amount of debt service for this loan is \$6,197,636. Annual debt service requirements for these loans, which mature March 1, 2021 and September 1, 2023, respectively, are as follows:

Year Ending December 31,	Wastewater Treatment Plant Expansion Phase I	Wastewater Treatment Plant Expansion Phase II	Total Sewer Utility Fund
2008	\$ 311,561	\$ 494,259	\$ 805,820
2009	311,561	494,259	805,820
2010	311,561	494,259	805,820
2011	311,561	494,259	805,820
2012	311,561	494,259	805,820
2013-2017	1,557,807	2,471,293	4,029,100
2018-2022	1,246,246	2,471,293	3,717,539
2023	<u>-</u>	<u>494,259</u>	<u>494,259</u>
Total Principal and interest	4,361,861	7,908,137	12,269,998
Less: Interest	<u>965,932</u>	<u>1,710,501</u>	<u>2,676,433</u>
Total	<u>\$ 3,395,929</u>	<u>\$ 6,197,636</u>	<u>\$ 9,593,565</u>

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS - Continued

E. Long-Term Debt - Continued

Loans Payable. Payments began on November 1, 2002, on a 2% interest rate loan agreement through the Camoplast Rockland economic development grant agreement. The annual debt service requirements on this loan, which matures May 1, 2012, are as follows:

Year Ending December 31,	Governmental Activities
2008	\$ 27,708
2009	27,708
2010	27,708
2011	27,708
2012	<u>13,850</u>
Total Principal and interest	124,682
Less: Interest	<u>6,012</u>
Total	<u>\$ 118,670</u>

F. Reconciliation of Transfers

A reconciliation of interfund transfers follows:

	<u>To</u>	<u>From</u>
Major Funds:		
General	\$ 1,940,959	\$ 1,253,204
Industrial Development Sales Tax	650,522	67,613
Debt Service	454,076	-
Solid Waste Disposal	-	545,322
Sewer Utility	-	717,156
Water Utility	-	708,942
Other Governmental Funds	<u>464,801</u>	<u>218,121</u>
	<u>\$ 3,510,358</u>	<u>\$ 3,510,358</u>

The City uses interfund transfers to share administrative costs between funds.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

IV. DETAILED NOTES ON ALL FUNDS - Continued

G. Net Assets

The amounts reported on the statement of net assets identified as invested in capital assets, net of related debt are comprised of the following:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	Primary Government <u>Total</u>
Total net capital assets	\$ 98,770,717	\$ 36,786,365	\$ 135,557,082
Less:			
Current portion of loans payable	[24,468]	-	[24,468]
Current portion of notes payable	-	[710,606]	[710,606]
Current portion of general obligation bonds and temporary notes payable	[7,030,945]	[542,643]	[7,573,588]
Noncurrent portion of loans payable	[94,202]	-	[94,202]
Noncurrent portion of general obligation bonds and temporary notes payable	[26,410,709]	[3,864,292]	[30,275,001]
Noncurrent portion of notes payable	-	[12,253,185]	[12,253,185]
Add:			
Unspent general obligation bonds and temporary notes proceeds	1,406,204	-	1,406,204
Net assets - invested in capital assets, net of related debt	<u>\$ 66,616,597</u>	<u>\$ 19,415,639</u>	<u>\$ 86,032,236</u>

V. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan description - The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by Kansas statutes (KSA 74-4901 et seq). KPERS and KP&F provide retirement benefits, life insurance, disability income benefits and death benefits. Kansas law established and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to 611 South Kansas, Suite 100; Topeka, Kansas 66603 or by calling 1-888-275-5737.

Funding policy - KSA 74-4919 established the KPERS member-employee contribution rate at 4% of covered salary. KSA 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provision of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The employer rate was 5.31% from January 1 to December 31, 2007. The City employer contributions to KPERS for the years ending December 31, 2007, 2006, and 2005 were \$259,870, \$230,391, and \$216,007, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2007 is 13.85%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which are determined separately for each participating employer. The City's contributions to KP&F for the years ended December 31, 2007, 2006, and 2005 were \$638,574, \$634,606, and \$647,080, respectively, equal to the required contributions for each year.

CITY OF EMPORIA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

V. OTHER INFORMATION - Continued

B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan ("Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan are transferred to a third-party custodial trust.

C. Flexible Benefit Plan (I.R.C. Section 125)

The City Commission has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All City full time employees are eligible to participate in the Plan beginning after two full months of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include insurance benefits.

D. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlements of claims have not exceeded available coverage for the years ended December 31, 2007, 2006, or 2005.

Workers' Compensation. The City established a limited risk management program for workers' compensation. The program covers all City employees. Premiums are paid into the workers' compensation reserve fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported in the Workers' Compensation Fund because it is expected to be liquidated with expendable available financial resources. Changes in the balances of claims liabilities during the past year are as follows:

	<u>2007</u>	<u>2006</u>
Unpaid claims, January 1	\$ 404,266	\$ 373,403
Incurred claims (including IBNRs)	352,124	410,132
Claim payments	<u>[316,041]</u>	<u>[379,269]</u>
Unpaid claims, December 31	<u>\$ 440,349</u>	<u>\$ 404,266</u>

Employee Health Care. Similarly, the City has established a program to pay medical claims of covered current and former City employees. Liabilities are reported when it is probable that claims have been incurred and the amount of the liability can be reasonably estimated.

CITY OF EMPORIA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

V. OTHER INFORMATION - Continued

D. Risk Management - Continued

Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources.

	<u>2007</u>	<u>2006</u>
Unpaid claims, January 1	\$ 59,195	\$ 131,830
Incurred claims (including IBNRs)	1,616,386	1,685,382
Claim payments	<u>[1,656,728]</u>	<u>[1,758,017]</u>
Unpaid claims, December 31	<u>\$ 18,853</u>	<u>\$ 59,195</u>

E. Contingent Liabilities

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City at December 31, 2007.

The City is a party in various pending claims. Although the outcome of these pending claims is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

F. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements which will or may affect the City:

Statement 43 - "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" which establishes new reporting standards for Other Post Employment Benefit Plans (OPEB). This statement would impact the City in the event that it should decide to fund its OPEB liability as reported under Statement 45. See below. Statement 43 would be effective immediately after the implementation of Statement 45 in the event that the OPEB were funded.

Statement 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" which requires that the cost of providing Other Post Employment Benefits (OPEB) be accounted for in basically the same way as pension benefits including the use of actuarial valuation methods. The liability reported under this standard may be funded as provided for by Statement 43 above. Statement 45 is effective for the fiscal year beginning January 1, 2008.

CITY OF EMPORIA, KANSAS
COMBINING STATEMENTS - NONMAJOR FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

BUDGETED FUNDS:

Library Fund - To account for the collection of tax levy money, which is appropriated to the Emporia Public Library for its operations.

Library Employee Benefits Fund - To account for the collection of tax levy money, which is appropriated to the Emporia Public Library specifically for employee benefits.

Convention and Tourism Promotion Fund - To account for the promotion of convention and tourism. Financing is provided by a 5% tax on gross rental receipts collected from hotels and motels within the City limits.

Industrial Fund - To account for the promotion of industrial development. The majority of this fund is used to assist in the acquisition of land for the industrial parks. Financing is provided by a property tax levy not to exceed 1 mill. This is the maximum amount that can be levied per Kansas statutes.

Special Alcohol Program Fund - To account for costs for the purchase, establishment, maintenance or expansion of services or programs related to substance abuse prevention and education, or treatment of persons who are substance abusers or are in danger of becoming substance abusers. Financing is provided by tax on the sale of alcoholic liquor by private clubs. State law requires 1/3 of this liquor tax to be used for a special alcohol program.

Special Park and Recreation Fund - To account for the costs of enhancing the areas of recreation or parks. Financing is provided by tax on the sale of alcoholic liquor by private clubs. State law requires 1/3 of this liquor tax to be used for a special park and recreation fund.

Special Street Fund - To account for a portion of costs of maintaining the street system. Financing is provided by a proportionate share of the Special City and County Highway Fund distributed by the State Treasurer.

Drug Money Forfeiture Fund - To account for the receipt and expenditure of funds seized by the police in connection with the arrest and conviction of individuals for illegal drug activities.

NON - BUDGETED FUNDS:

Housing CDBG Grant Fund - To account for the costs of rehabilitating eligible rental properties. Financing was provided by the US Department of Housing and Urban Development through a community development block grant.

Housing Study RDA Fund - To account for a county-wide study to identify the current and future needs and solutions to housing problems within the county.

Emergency Shelter Fund - To account for grant funds appropriated to a local women's shelter.

Telephone Tax - 911 Fund - To account for the cost of implementing a "911" emergency response telephone system.

Law Enforcement Block Grant Fund - To account for grant funds from the US Department of Justice to be used to purchase certain equipment for the police department.

Home Owners Rehab Fund - To account for funds used in the owner occupied rehabilitation grant program.

CITY OF EMPORIA, KANSAS
COMBINING STATEMENTS - NONMAJOR FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

DARE Crime Prevention Fund - To account for funds expended in connection with the DARE program.

Home Rehab Fund - To account for funds used in the owner occupied rehabilitation grant program.

Lake Kahola Fund - To account for the funds received in the sale of Lake Kahola to the Lake Kahola cabin owners.

Wireless 911 Tax - To account for the cost of implementing a "911" emergency response for the wireless telephone system.

2003 Home Rehab - To account for funds used in the owner occupied rehabilitation grant program.

NONMAJOR CAPITAL PROJECT FUND

Capital project funds are used to account for acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Internal Improvements - To account for various city infrastructure improvement projects. Financing is provided through temporary notes and special assessments.

Ball Diamonds - To account for the costs to improve existing ball diamond facilities.

5th Avenue Relief Main - To account for the improvement of the sanitary sewer from 5th Avenue to the Cottonwood River. Financing is to be provided through CDBG money.

Park Improvement Project - To account for the costs of improving existing parks.

Biodiesel Plant Project - To account for the costs of putting in the water and sewer mains and paving to the plant.

Library Bond Project - To account for the remodeling costs for the Library.

Civic Auditorium Improvement - To account for the improvements to the Civic Auditorium, which will be funded through the issuance of general obligation bonds.

Storm Water Improvement Project - To account for improvements to the stormwater system.

Bridge Projects - To account for the cost of the construction of bridges over I35 and KTA.

Traffic Signals - To account for the cost of new traffic control devices.

Paving Projects - To account for the costs of new paving projects.

Construction Projects - To account for the costs of construction of new city facilities.

Special Assessment - To account for the costs of new subdivisions that will be charged special assessments.

Airport Improvement - To account for the improvements at the airport.

Recreation Center Improvement - To account for the improvements at the Recreation Center.

CITY OF EMPORIA, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2007

	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Capital Project <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Cash and investments	\$ 688,214	\$ 6,580,351	\$ 7,268,565
Receivables			
Accounts	48,134	-	48,134
Taxes	643,747	-	643,747
Total assets	<u>\$ 1,380,095</u>	<u>\$ 6,580,351</u>	<u>\$ 7,960,446</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 51,339	\$ 74,221	\$ 125,560
Accrued liabilities	14,755	-	14,755
Due to other funds	-	38,414	38,414
Deferred revenue	643,749	-	643,749
Total liabilities	<u>709,843</u>	<u>112,635</u>	<u>822,478</u>
Fund balance:			
Reserved for encumbrances	22,603	-	22,603
Unreserved			
Designated			
For industrial development	125,133	-	125,133
Undesignated [deficit]	522,516	6,467,716	6,990,232
Total fund balance [deficit]	<u>670,252</u>	<u>6,467,716</u>	<u>7,137,968</u>
Total liabilities and fund balances	<u>\$ 1,380,095</u>	<u>\$ 6,580,351</u>	<u>\$ 7,960,446</u>

See independent auditor's report on the financial statements.

This page intentionally left blank.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 691,785	\$ -	\$ 691,785
Intergovernmental	1,691,539	67,252	1,758,791
Use of money and property	97,291	249,302	346,593
Donations and contributions	2,735	180,909	183,644
Miscellaneous	1,440,719	224,169	1,664,888
Total Revenues	<u>3,924,069</u>	<u>721,632</u>	<u>4,645,701</u>
Expenditures			
Current			
General government	669,471	-	669,471
Law enforcement	42,249	-	42,249
Highways and streets	710,080	-	710,080
Culture and recreation	708,670	-	708,670
Health and environment	72,475	-	72,475
Planning and development	1,723,982	-	1,723,982
Capital outlay	-	4,166,044	4,166,044
Debt service			
Interest and other charges	-	32,174	32,174
Total Expenditures	<u>3,926,927</u>	<u>4,198,218</u>	<u>8,125,145</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[2,858]</u>	<u>[3,476,586]</u>	<u>[3,479,444]</u>
Other Financing Sources [Uses]			
Transfers in	58,975	405,826	464,801
Transfers out	[201,308]	[16,813]	[218,121]
Sale of bonds	-	4,128,147	4,128,147
Total Other Financing Sources [Uses]	<u>[142,333]</u>	<u>4,517,160</u>	<u>4,374,827</u>
Net change in fund balances	[145,191]	1,040,574	895,383
Fund balance, beginning of year	<u>815,443</u>	<u>5,427,142</u>	<u>6,242,585</u>
Fund balance, end of year	<u>\$ 670,252</u>	<u>\$ 6,467,716</u>	<u>\$ 7,137,968</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2007

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>	<u>Industrial</u>
ASSETS				
Cash and investments	\$ 4,868	\$ 595	\$ 82,955	\$ 125,133
Receivables				
Accounts	-	-	-	-
Taxes	<u>591,260</u>	<u>51,463</u>	<u>-</u>	<u>1,024</u>
Total assets	<u>\$ 596,128</u>	<u>\$ 52,058</u>	<u>\$ 82,955</u>	<u>\$ 126,157</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenue	<u>591,262</u>	<u>51,463</u>	<u>-</u>	<u>1,024</u>
Total liabilities	<u>591,262</u>	<u>51,463</u>	<u>-</u>	<u>1,024</u>
Fund balance:				
Reserved for encumbrances	-	-	-	-
Unreserved				
Designated				
For industrial development	-	-	-	125,133
Undesignated [deficit]	<u>4,866</u>	<u>595</u>	<u>82,955</u>	<u>-</u>
Total fund balance [deficit]	<u>4,866</u>	<u>595</u>	<u>82,955</u>	<u>125,133</u>
Total liabilities and fund balances	<u>\$ 596,128</u>	<u>\$ 52,058</u>	<u>\$ 82,955</u>	<u>\$ 126,157</u>

<u>Special Alcohol Program</u>	<u>Special Park and Recreation</u>	<u>Special Street</u>	<u>Drug Money Forfeiture</u>	<u>Housing CDBG Grant</u>	<u>Housing Study RDA</u>
\$ 74,969	\$ 68,893	\$ 61,182	\$ 44,230	\$ 48	\$ 1,694
-	-	1,237	-	4,678	-
-	-	-	-	-	-
<u>\$ 74,969</u>	<u>\$ 68,893</u>	<u>\$ 62,419</u>	<u>\$ 44,230</u>	<u>\$ 4,726</u>	<u>\$ 1,694</u>
\$ 6,040	\$ -	\$ 10,363	\$ 19,600	\$ 14	\$ -
-	-	14,755	-	-	-
-	-	-	-	-	-
<u>6,040</u>	<u>-</u>	<u>25,118</u>	<u>19,600</u>	<u>14</u>	<u>-</u>
-	-	22,603	-	-	-
-	-	-	-	-	-
<u>68,929</u>	<u>68,893</u>	<u>14,698</u>	<u>24,630</u>	<u>4,712</u>	<u>1,694</u>
<u>68,929</u>	<u>68,893</u>	<u>37,301</u>	<u>24,630</u>	<u>4,712</u>	<u>1,694</u>
<u>\$ 74,969</u>	<u>\$ 68,893</u>	<u>\$ 62,419</u>	<u>\$ 44,230</u>	<u>\$ 4,726</u>	<u>\$ 1,694</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING BALANCE SHEET, CONTINUED
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2007

	Emergency <u>Shelter</u>	Telephone <u>Tax-911</u>	Law Enforcement <u>Block Grant</u>	Home Owners <u>Rehab</u>
ASSETS				
Cash and investments	\$ -	\$ 28,810	\$ 12,078	\$ 1,895
Receivables				
Accounts	-	-	-	9,696
Taxes	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 28,810</u>	<u>\$ 12,078</u>	<u>\$ 11,591</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,199	\$ 200	\$ -
Accrued liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>1,199</u>	<u>200</u>	<u>-</u>
Fund balance:				
Reserved for encumbrances	-	-	-	-
Unreserved				
Designated				
For industrial development	-	-	-	-
Undesignated [deficit]	-	27,611	11,878	11,591
Total fund balance [deficit]	<u>-</u>	<u>27,611</u>	<u>11,878</u>	<u>11,591</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 28,810</u>	<u>\$ 12,078</u>	<u>\$ 11,591</u>

<u>DARE Crime Prevention</u>	<u>Home Rehab</u>	<u>Lake Kahola</u>	<u>Wireless 911 Tax</u>	<u>2003 Home Rehab</u>	<u>Totals</u>
\$ 1,687	\$ 2,676	\$ 70,372	\$ 86,590	\$ 19,539	\$ 688,214
-	1,875	-	-	30,648	48,134
-	-	-	-	-	643,747
<u>\$ 1,687</u>	<u>\$ 4,551</u>	<u>\$ 70,372</u>	<u>\$ 86,590</u>	<u>\$ 50,187</u>	<u>\$ 1,380,095</u>
\$ -	\$ 35	\$ -	\$ -	\$ 13,888	\$ 51,339
-	-	-	-	-	14,755
-	-	-	-	-	643,749
-	35	-	-	13,888	709,843
-	-	-	-	-	22,603
-	-	-	-	-	125,133
<u>1,687</u>	<u>4,516</u>	<u>70,372</u>	<u>86,590</u>	<u>36,299</u>	<u>522,516</u>
<u>1,687</u>	<u>4,516</u>	<u>70,372</u>	<u>86,590</u>	<u>36,299</u>	<u>670,252</u>
<u>\$ 1,687</u>	<u>\$ 4,551</u>	<u>\$ 70,372</u>	<u>\$ 86,590</u>	<u>\$ 50,187</u>	<u>\$ 1,380,095</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2007

	<u>Library</u>	<u>Library Employee Benefits</u>	<u>Convention and Tourism Promotion</u>	<u>Industrial</u>
Revenues				
Taxes	\$ 647,905	\$ 42,740	\$ -	\$ 1,140
Intergovernmental	-	-	358,358	-
Use of money and property	-	-	2,949	5,985
Donations	-	-	-	-
Miscellaneous	106	-	57,499	-
Total Revenues	<u>648,011</u>	<u>42,740</u>	<u>418,806</u>	<u>7,125</u>
Expenditures				
General government	-	-	368,915	-
Law enforcement	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	656,670	52,000	-	-
Health and environment	-	-	-	-
Planning and development	-	-	-	237
Total Expenditures	<u>656,670</u>	<u>52,000</u>	<u>368,915</u>	<u>237</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[8,659]</u>	<u>[9,260]</u>	<u>49,891</u>	<u>6,888</u>
Other Financing Sources [Uses]				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources [Uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>[8,659]</u>	<u>[9,260]</u>	<u>49,891</u>	<u>6,888</u>
Fund balance, beginning of year	<u>13,525</u>	<u>9,855</u>	<u>33,064</u>	<u>118,245</u>
Fund balance, end of year	<u>\$ 4,866</u>	<u>\$ 595</u>	<u>\$ 82,955</u>	<u>\$ 125,133</u>

<u>Special Alcohol Program</u>	<u>Special Park and Recreation</u>	<u>Special Street</u>	<u>Drug Money Forfeiture</u>	<u>Housing CDBG Grant</u>	<u>Housing Study RDA</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85,080	85,080	861,240	17,001	-	-
2,638	2,433	7,342	1,680	-	-
-	610	-	-	-	-
-	-	15,439	-	-	-
<u>87,718</u>	<u>88,123</u>	<u>884,021</u>	<u>18,681</u>	<u>-</u>	<u>-</u>
-	105,414	-	-	-	-
-	-	-	25,347	-	-
-	-	710,080	-	-	-
-	-	-	-	-	-
72,475	-	-	-	-	-
-	-	-	-	19,612	-
<u>72,475</u>	<u>105,414</u>	<u>710,080</u>	<u>25,347</u>	<u>19,612</u>	<u>-</u>
<u>15,243</u>	<u>[17,291]</u>	<u>173,941</u>	<u>[6,666]</u>	<u>[19,612]</u>	<u>-</u>
-	-	-	19,000	6,200	-
-	-	[195,108]	-	-	-
-	-	[195,108]	19,000	6,200	-
15,243	[17,291]	[21,167]	12,334	[13,412]	-
<u>53,686</u>	<u>86,184</u>	<u>58,468</u>	<u>12,296</u>	<u>18,124</u>	<u>1,694</u>
<u>\$ 68,929</u>	<u>\$ 68,893</u>	<u>\$ 37,301</u>	<u>\$ 24,630</u>	<u>\$ 4,712</u>	<u>\$ 1,694</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES, CONTINUED
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2007

	Emergency <u>Shelter</u>	Telephone <u>Tax-911</u>	Law Enforcement <u>Block Grant</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	17,730	45,141	25,029
Use of money and property	-	714	-
Donations	-	-	2,125
Miscellaneous	-	-	-
Total Revenues	<u>17,730</u>	<u>45,855</u>	<u>27,154</u>
Expenditures			
General government	17,730	19,848	-
Law enforcement	-	-	16,902
Highways and streets	-	-	-
Culture and recreation	-	-	-
Health and environment	-	-	-
Planning and development	-	-	-
Total Expenditures	<u>17,730</u>	<u>19,848</u>	<u>16,902</u>
Excess [deficiency] of revenues over [under] expenditures	<u>-</u>	<u>26,007</u>	<u>10,252</u>
Other Financing Sources [Uses]			
Transfers in	-	-	33,775
Transfers out	-	-	-
Total Other Financing Sources [Uses]	<u>-</u>	<u>-</u>	<u>33,775</u>
Net change in fund balances	-	26,007	44,027
Fund balance, beginning of year	<u>-</u>	<u>1,604</u>	<u>[32,149]</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 27,611</u>	<u>\$ 11,878</u>

<u>Home Owners Rehab</u>	<u>DARE Crime Prevention</u>	<u>Home Rehab</u>	<u>Lake Kahola</u>	<u>Wireless 911 Tax</u>	<u>2003 Home Rehab</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 691,785
-	-	-	-	56,740	140,140	1,691,539
-	-	-	70,075	3,475	-	97,291
-	-	-	-	-	-	2,735
<u>24</u>	<u>-</u>	<u>-</u>	<u>1,323,388</u>	<u>-</u>	<u>44,263</u>	<u>1,440,719</u>
<u>24</u>	<u>-</u>	<u>-</u>	<u>1,393,463</u>	<u>60,215</u>	<u>184,403</u>	<u>3,924,069</u>
-	-	-	-	35,923	121,641	669,471
-	-	-	-	-	-	42,249
-	-	-	-	-	-	710,080
-	-	-	-	-	-	708,670
-	-	-	-	-	-	72,475
<u>3,014</u>	<u>-</u>	<u>5,749</u>	<u>1,620,000</u>	<u>-</u>	<u>75,370</u>	<u>1,723,982</u>
<u>3,014</u>	<u>-</u>	<u>5,749</u>	<u>1,620,000</u>	<u>35,923</u>	<u>197,011</u>	<u>3,926,927</u>
<u>[2,990]</u>	<u>-</u>	<u>[5,749]</u>	<u>[226,537]</u>	<u>24,292</u>	<u>[12,608]</u>	<u>[2,858]</u>
-	-	-	-	-	-	58,975
<u>[6,200]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[201,308]</u>
<u>[6,200]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[142,333]</u>
<u>[9,190]</u>	<u>-</u>	<u>[5,749]</u>	<u>[226,537]</u>	<u>24,292</u>	<u>[12,608]</u>	<u>[145,191]</u>
<u>20,781</u>	<u>1,687</u>	<u>10,265</u>	<u>296,909</u>	<u>62,298</u>	<u>48,907</u>	<u>815,443</u>
<u>\$ 11,591</u>	<u>\$ 1,687</u>	<u>\$ 4,516</u>	<u>\$ 70,372</u>	<u>\$ 86,590</u>	<u>\$ 36,299</u>	<u>\$ 670,252</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2007

	<u>Internal Improvements</u>	<u>Ball Diamonds</u>	<u>5th Avenue Relief Main</u>
ASSETS			
Cash and investments	\$ 214,544	\$ 7,909	\$ -
Total assets	<u>\$ 214,544</u>	<u>\$ 7,909</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,076	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,076</u>	<u>-</u>	<u>-</u>
Fund balance:			
Unreserved			
Undesignated [deficit]	<u>212,468</u>	<u>7,909</u>	<u>-</u>
Total fund balances [deficit]	<u>212,468</u>	<u>7,909</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 214,544</u>	<u>\$ 7,909</u>	<u>\$ -</u>

Park Improvement Project	Biodiesel Plant Project	Library Bond Project	Civic Auditorium Improvement
\$ -	\$ 632,436	\$ -	\$ 22,436
<u>\$ -</u>	<u>\$ 632,436</u>	<u>\$ -</u>	<u>\$ 22,436</u>
\$ -	\$ 6,795	\$ -	\$ -
38,414	-	-	-
<u>38,414</u>	<u>6,795</u>	<u>-</u>	<u>-</u>
[38,414]	625,641	-	22,436
<u>[38,414]</u>	<u>625,641</u>	<u>-</u>	<u>22,436</u>
<u>\$ -</u>	<u>\$ 632,436</u>	<u>\$ -</u>	<u>\$ 22,436</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING BALANCE SHEET, CONTINUED
NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2007

	Storm Water Improvement Project	Bridge Projects	Traffic Signals	Paving Projects
ASSETS				
Cash and investments	\$ -	\$ 1,972,700	\$ 80,340	\$ 2,731,222
Total assets	<u>\$ -</u>	<u>\$ 1,972,700</u>	<u>\$ 80,340</u>	<u>\$ 2,731,222</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 2,686	\$ -	\$ 7,605
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>2,686</u>	<u>-</u>	<u>7,605</u>
Fund balance:				
Unreserved				
Undesignated [deficit]	-	1,970,014	80,340	2,723,617
Total fund balances [deficit]	<u>-</u>	<u>1,970,014</u>	<u>80,340</u>	<u>2,723,617</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,972,700</u>	<u>\$ 80,340</u>	<u>\$ 2,731,222</u>

Construction Projects	Special Assessment	Airport Improvement	Recreation Center Improvement	Totals
<u>\$ 234,916</u>	<u>\$ 199,910</u>	<u>\$ 258,299</u>	<u>\$ 225,639</u>	<u>\$ 6,580,351</u>
<u>\$ 234,916</u>	<u>\$ 199,910</u>	<u>\$ 258,299</u>	<u>\$ 225,639</u>	<u>\$ 6,580,351</u>
\$ 11,352	\$ 8,946	\$ 30,364	\$ 4,397	\$ 74,221
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,414</u>
<u>11,352</u>	<u>8,946</u>	<u>30,364</u>	<u>4,397</u>	<u>112,635</u>
<u>223,564</u>	<u>190,964</u>	<u>227,935</u>	<u>221,242</u>	<u>6,467,716</u>
<u>223,564</u>	<u>190,964</u>	<u>227,935</u>	<u>221,242</u>	<u>6,467,716</u>
<u>\$ 234,916</u>	<u>\$ 199,910</u>	<u>\$ 258,299</u>	<u>\$ 225,639</u>	<u>\$ 6,580,351</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended December 31, 2007

	Internal Improvements	Ball Diamonds	5th Avenue Relief Main
Revenues			
Intergovernmental	\$ 1,950	\$ -	\$ -
Use of money and property	1,535	1,182	-
Miscellaneous	-	-	-
Contributions	-	-	-
Total Revenues	<u>3,485</u>	<u>1,182</u>	<u>-</u>
Expenditures			
Capital outlay			
Contract costs	24,616	-	-
Debt service			
Interest and other charges	<u>2,107</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>26,723</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[23,238]</u>	<u>1,182</u>	<u>-</u>
Other Financing Sources [Uses]			
Transfers in	-	-	160,262
Transfers out	-	[16,813]	-
Sale of bonds	<u>195,624</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources [Uses]	<u>195,624</u>	<u>[16,813]</u>	<u>160,262</u>
Net change in fund balances	172,386	[15,631]	160,262
Fund balance, beginning of year	<u>40,082</u>	<u>23,540</u>	<u>[160,262]</u>
Fund balance, end of year	<u>\$ 212,468</u>	<u>\$ 7,909</u>	<u>\$ -</u>

Park Improvement Project	Biodiesel Plant Project	Library Bond Project	Civic Auditorium Improvement
\$ 1,000	\$ -	\$ -	\$ -
-	-	27	1,257
222,948	-	721	-
-	-	-	-
<u>223,948</u>	<u>-</u>	<u>748</u>	<u>1,257</u>
432,999	793,667	748	3,818
-	8,988	-	-
<u>432,999</u>	<u>802,655</u>	<u>748</u>	<u>3,818</u>
<u>[209,051]</u>	<u>[802,655]</u>	<u>-</u>	<u>[2,561]</u>
16,813	67,613	-	-
-	-	-	-
-	1,360,683	-	-
<u>16,813</u>	<u>1,428,296</u>	<u>-</u>	<u>-</u>
[192,238]	625,641	-	[2,561]
<u>153,824</u>	<u>-</u>	<u>-</u>	<u>24,997</u>
<u>\$ [38,414]</u>	<u>\$ 625,641</u>	<u>\$ -</u>	<u>\$ 22,436</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES, CONTINUED
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended December 31, 2007

	Storm Water Improvement Project	Bridge Projects	Traffic Signals	Paving Projects
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ 500
Use of money and property	-	91,154	3,911	131,679
Miscellaneous	-	-	-	-
Contributions	-	180,909	-	-
Total Revenues	-	272,063	3,911	132,179
Expenditures				
Capital outlay				
Contract costs	832	39,817	3,953	1,370,623
Debt service				
Interest and other charges	-	-	-	7,721
Total Expenditures	832	39,817	3,953	1,378,344
Excess [deficiency] of revenues over [under] expenditures	[832]	232,246	[42]	[1,246,165]
Other Financing Sources [Uses]				
Transfers in	68,122	-	-	65,307
Transfers out	-	-	-	-
Sale of bonds	-	-	-	716,737
Total Other Financing Sources [Uses]	68,122	-	-	782,044
Net change in fund balances	67,290	232,246	[42]	[464,121]
Fund balance, beginning of year	[67,290]	1,737,768	80,382	3,187,738
Fund balance, end of year	\$ -	\$ 1,970,014	\$ 80,340	\$ 2,723,617

Construction Projects	Special Assessment	Airport Improvement	Recreation Center Improvement	Totals
\$ -	\$ -	\$ 63,802	\$ -	\$ 67,252
17,399	-	940	218	249,302
-	-	500	-	224,169
-	-	-	-	180,909
<u>17,399</u>	<u>-</u>	<u>65,242</u>	<u>218</u>	<u>721,632</u>
168,234	684,280	448,369	194,088	4,166,044
-	8,978	-	4,380	32,174
<u>168,234</u>	<u>693,258</u>	<u>448,369</u>	<u>198,468</u>	<u>4,198,218</u>
<u>[150,835]</u>	<u>[693,258]</u>	<u>[383,127]</u>	<u>[198,250]</u>	<u>[3,476,586]</u>
-	-	27,709	-	405,826
-	-	-	-	[16,813]
-	833,604	614,862	406,637	4,128,147
-	<u>833,604</u>	<u>642,571</u>	<u>406,637</u>	<u>4,517,160</u>
[150,835]	140,346	259,444	208,387	1,040,574
<u>374,399</u>	<u>50,618</u>	<u>[31,509]</u>	<u>12,855</u>	<u>5,427,142</u>
<u>\$ 223,564</u>	<u>\$ 190,964</u>	<u>\$ 227,935</u>	<u>\$ 221,242</u>	<u>\$ 6,467,716</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
LIBRARY FUND

For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes	\$ 647,905	\$ -	\$ 647,905	\$ 656,589	\$ 656,589	\$ [8,684]
Miscellaneous	106	-	106	-	-	106
Total revenues	<u>648,011</u>	<u>-</u>	<u>648,011</u>	<u>656,589</u>	<u>656,589</u>	<u>[8,578]</u>
EXPENDITURES:						
Culture and recreation	<u>656,670</u>	<u>-</u>	<u>656,670</u>	<u>656,670</u>	<u>656,670</u>	<u>-</u>
Total expenditures	<u>656,670</u>	<u>-</u>	<u>656,670</u>	<u>656,670</u>	<u>656,670</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	[8,659]	-	[8,659]	\$ [81]	\$ [81]	\$ [8,578]
FUND BALANCE - Beginning of year	<u>13,525</u>	<u>-</u>	<u>13,525</u>			
FUND BALANCE - End of year	<u>\$ 4,866</u>	<u>\$ -</u>	<u>\$ 4,866</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
LIBRARY EMPLOYEE BENEFIT FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes	\$ 42,740	\$ -	\$ 42,740	\$ 43,255	\$ 43,255	\$ [515]
Total revenues	<u>42,740</u>	<u>-</u>	<u>42,740</u>	<u>43,255</u>	<u>43,255</u>	<u>[515]</u>
EXPENDITURES:						
Culture and recreation	<u>52,000</u>	<u>-</u>	<u>52,000</u>	<u>52,000</u>	<u>52,000</u>	<u>-</u>
Total expenditures	<u>52,000</u>	<u>-</u>	<u>52,000</u>	<u>52,000</u>	<u>52,000</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	[9,260]	-	[9,260]	\$ [8,745]	\$ [8,745]	\$ [515]
FUND BALANCE - Beginning of year	<u>9,855</u>	<u>-</u>	<u>9,855</u>			
FUND BALANCE - End of year	<u>\$ 595</u>	<u>\$ -</u>	<u>\$ 595</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
CONVENTION AND TOURISM FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 358,358	\$ -	\$ 358,358	\$ 316,200	\$ 360,000	\$ [1,642]
Miscellaneous	57,499	-	57,499	-	57,499	-
Use of money and property	<u>2,949</u>	<u>-</u>	<u>2,949</u>	<u>245</u>	<u>2,500</u>	<u>449</u>
Total revenues	<u>418,806</u>	<u>-</u>	<u>418,806</u>	<u>316,445</u>	<u>419,999</u>	<u>[1,193]</u>
EXPENDITURES:						
Current						
General Government						
Appropriation	<u>368,915</u>	<u>-</u>	<u>368,915</u>	<u>335,500</u>	<u>390,000</u>	<u>21,085</u>
Total expenditures	<u>368,915</u>	<u>-</u>	<u>368,915</u>	<u>335,500</u>	<u>390,000</u>	<u>21,085</u>
Excess [deficiency] of revenues over [under] expenditures	49,891	-	49,891	\$ [19,055]	\$ 29,999	\$ 19,892
FUND BALANCE - Beginning of year	<u>33,064</u>	<u>-</u>	<u>33,064</u>			
FUND BALANCE - End of year	<u>\$ 82,955</u>	<u>\$ -</u>	<u>\$ 82,955</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
INDUSTRIAL FUND

For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 1,140	\$ -	\$ 1,140	\$ 1,000	\$ 1,000	\$ 140
Use of money and property	5,985	-	5,985	4,008	4,008	1,977
Total revenues	7,125	-	7,125	5,008	5,008	2,117
EXPENDITURES:						
Current						
Planning and development						
Contractual services	237	-	237	122,450	122,450	122,213
Total expenditures	237	-	237	122,450	122,450	122,213
Excess [deficiency] of revenues over [under] expenditures	6,888	-	6,888	\$ [117,442]	\$ [117,442]	\$ 124,330
FUND BALANCE - Beginning of year	118,245	-	118,245			
FUND BALANCE - End of year	\$125,133	\$ -	\$ 125,133			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL ALCOHOL PROGRAM FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 85,080	\$ -	\$ 85,080	\$ 76,905	\$ 76,905	\$ 8,175
Use of money and property	<u>2,638</u>	<u>-</u>	<u>2,638</u>	<u>645</u>	<u>645</u>	<u>1,993</u>
Total revenues	<u>87,718</u>	<u>-</u>	<u>87,718</u>	<u>77,550</u>	<u>77,550</u>	<u>10,168</u>
EXPENDITURES:						
Current						
Health and environment						
Appropriation	<u>72,475</u>	<u>-</u>	<u>72,475</u>	<u>121,900</u>	<u>121,900</u>	<u>49,425</u>
Total expenditures	<u>72,475</u>	<u>-</u>	<u>72,475</u>	<u>121,900</u>	<u>121,900</u>	<u>49,425</u>
Excess [deficiency] of revenues over [under] expenditures	15,243	-	15,243	<u>\$ [44,350]</u>	<u>\$ [44,350]</u>	<u>\$ 59,593</u>
FUND BALANCE - Beginning of year	<u>53,686</u>	<u>-</u>	<u>53,686</u>			
FUND BALANCE - End of year	<u>\$ 68,929</u>	<u>\$ -</u>	<u>\$ 68,929</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL PARK AND RECREATION FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 85,080	\$ -	\$ 85,080	\$ 76,905	\$ 76,905	\$ 8,175
Use of money and property	2,433	-	2,433	663	663	1,770
Donations	610	-	610	-	-	610
Total revenues	<u>88,123</u>	<u>-</u>	<u>88,123</u>	<u>77,568</u>	<u>77,568</u>	<u>10,555</u>
EXPENDITURES:						
Current						
General government						
Contractual	2,500	-	2,500	-	2,500	-
Capital outlay	102,914	-	102,914	89,500	107,500	4,586
Total expenditures	<u>105,414</u>	<u>-</u>	<u>105,414</u>	<u>89,500</u>	<u>110,000</u>	<u>4,586</u>
Excess [deficiency] of revenues over [under] expenditures	[17,291]	-	[17,291]	\$ [11,932]	\$ [32,432]	\$ 15,141
FUND BALANCE - Beginning of year	<u>86,184</u>	<u>-</u>	<u>86,184</u>			
FUND BALANCE - End of year	<u>\$ 68,893</u>	<u>\$ -</u>	<u>\$ 68,893</u>			

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL STREET FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 861,240	\$ -	\$ 861,240	\$ 882,825	\$ 884,030	\$ [22,790]
Use of money and property	7,342	-	7,342	2,452	7,000	342
Miscellaneous	<u>15,439</u>	<u>-</u>	<u>15,439</u>	<u>5,500</u>	<u>15,000</u>	<u>439</u>
Total revenues	<u>884,021</u>	<u>-</u>	<u>884,021</u>	<u>890,777</u>	<u>906,030</u>	<u>[22,009]</u>
EXPENDITURES:						
Current						
Highways and streets						
Personal services	347,754	-	347,754	404,075	404,075	56,321
Contractual	249,917	-	249,917	214,500	214,500	[35,417]
Commodities	88,487	-	88,487	141,400	141,400	52,913
Other charges	323	-	323	6,400	6,400	6,077
Capital outlay	<u>23,599</u>	<u>22,603</u>	<u>46,202</u>	<u>90,000</u>	<u>143,625</u>	<u>97,423</u>
Total expenditures	<u>710,080</u>	<u>22,603</u>	<u>732,683</u>	<u>856,375</u>	<u>910,000</u>	<u>177,317</u>
Excess [deficiency] of revenues over [under] expenditures	173,941	[22,603]	151,338	34,402	[3,970]	155,308
OTHER FINANCING SOURCES [USES]:						
Transfers out	<u>[195,108]</u>	<u>-</u>	<u>[195,108]</u>	<u>[50,000]</u>	<u>[50,000]</u>	<u>[145,108]</u>
Excess of revenues over [under] expenditures and other financing [uses]	[21,167]	[22,603]	[43,770]	\$ [15,598]	\$ [53,970]	\$ 10,200
FUND BALANCE - Beginning of year	<u>58,468</u>	<u>-</u>	<u>58,468</u>			
FUND BALANCE - End of year	<u>\$ 37,301</u>	<u>\$ [22,603]</u>	<u>\$ 14,698</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
DRUG MONEY FORFEITURE FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 17,001	\$ -	\$ 17,001	\$ 22,700	\$ 22,700	\$ [5,699]
Use of money and property	<u>1,680</u>	<u>-</u>	<u>1,680</u>	<u>300</u>	<u>300</u>	<u>1,380</u>
Total revenues	<u>18,681</u>	<u>-</u>	<u>18,681</u>	<u>23,000</u>	<u>23,000</u>	<u>[4,319]</u>
EXPENDITURES:						
Current						
Law enforcement						
Commodities	<u>25,347</u>	<u>-</u>	<u>25,347</u>	<u>35,050</u>	<u>35,050</u>	<u>9,703</u>
Total expenditures	<u>25,347</u>	<u>-</u>	<u>25,347</u>	<u>35,050</u>	<u>35,050</u>	<u>9,703</u>
Excess [deficiency] of revenues over [under] expenditures	[6,666]	-	[6,666]	[12,050]	[12,050]	5,384
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>19,000</u>	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>19,000</u>
Excess of revenues over [under] expenditures and other financing [uses]	12,334	-	12,334	<u>\$ [12,050]</u>	<u>\$ [12,050]</u>	<u>\$ 24,384</u>
FUND BALANCE - Beginning of year	<u>12,296</u>	<u>-</u>	<u>12,296</u>			
FUND BALANCE - End of year	<u>\$ 24,630</u>	<u>\$ -</u>	<u>\$ 24,630</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
DEBT SERVICE FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes	\$ 2,330,530	\$ -	\$ 2,330,530	\$ 2,057,315	\$ 2,057,315	\$ 273,215
Special assessments	68,661	-	68,661	210,046	210,046	[141,385]
Miscellaneous	4,815	-	4,815	-	-	4,815
Intergovernmental	-	-	-	548,524	548,524	[548,524]
Use of money and property	56,487	-	56,487	18,001	18,001	38,486
Total revenues	2,460,493	-	2,460,493	2,833,886	2,833,886	[373,393]
EXPENDITURES:						
Debt Service						
Bond issuance costs	38,527	[38,527]	-	-	-	-
Principal	1,923,243	-	1,923,243	1,945,000	1,945,000	21,757
Interest	1,013,200	-	1,013,200	1,017,351	1,017,351	4,151
Total expenditures	2,974,970	[38,527]	2,936,443	2,962,351	2,962,351	25,908
Excess [deficiency] of revenues over [under] expenditures	[514,477]	38,527	[475,950]	[128,465]	[128,465]	[347,485]
OTHER FINANCING SOURCES [USES]:						
Sale of bonds	3,811,927	[3,811,927]	-	-	-	-
Bond refunding	[3,720,000]	3,720,000	-	-	-	-
Payment to escrow	[156,988]	156,988	-	-	-	-
Bond premium	103,588	[103,588]	-	-	-	-
Transfers in	454,076	-	454,076	-	-	454,076
Total other financing sources [uses]	492,603	[38,527]	454,076	-	-	454,076
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[21,874]	-	[21,874]	\$ [128,465]	\$ [128,465]	\$ 106,591
FUND BALANCE - Beginning of year	249,058	-	249,058			
FUND BALANCE - End of year	\$ 227,184	\$ -	\$ 227,184			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - ACTUAL AND BUDGET
SOLID WASTE DISPOSAL FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues and transfers						
Charges for services	\$ 3,060,494	\$ -	\$ 3,060,494	\$ 3,144,000	\$ 3,144,000	\$ [83,506]
Use of money and property	28,514	-	28,514	5,000	5,000	23,514
Miscellaneous	5,130	-	5,130	1,000	1,000	4,130
Sale of salvage	<u>239,739</u>	<u>-</u>	<u>239,739</u>	<u>175,000</u>	<u>175,000</u>	<u>64,739</u>
Total revenues and transfers	<u>3,333,877</u>	<u>-</u>	<u>3,333,877</u>	<u>3,325,000</u>	<u>3,325,000</u>	<u>8,877</u>
Expenses and transfers						
Personal services	1,131,479	-	1,131,479	1,178,359	1,178,359	46,880
Contractual services	869,862	-	869,862	1,651,350	1,651,350	781,488
Commodities	396,668	-	396,668	233,150	233,150	[163,518]
Capital outlay	-	208,666	208,666	230,000	230,000	21,334
Depreciation	212,489	[212,489]	-	-	-	-
Miscellaneous	18,838	-	18,838	146,400	146,400	127,562
Transfer out	<u>545,322</u>	<u>-</u>	<u>545,322</u>	<u>26,000</u>	<u>26,000</u>	<u>[519,322]</u>
Total operating expenses and transfers	<u>3,174,658</u>	<u>[3,823]</u>	<u>3,170,835</u>	<u>3,465,259</u>	<u>3,465,259</u>	<u>294,424</u>
Change in net assets	159,219	\$ <u>3,823</u>	163,042	\$ <u>[140,259]</u>	\$ <u>[140,259]</u>	\$ <u>303,301</u>
Net assets - Beginning of year	<u>2,435,727</u>		<u>2,609,408</u>			
Net assets - End of year	<u>\$ 2,594,946</u>		<u>\$ 2,772,450</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - ACTUAL AND BUDGET
SEWER UTILITY FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues and transfers						
Charges for services	\$ 3,682,590	\$ -	\$ 3,682,590	\$ 3,714,256	\$ 3,233,000	\$ 449,590
Use of money and property	41,874	-	41,874	15,000	15,000	26,874
Miscellaneous	6,577	-	6,577	5,800	5,800	777
Total revenues and transfers	<u>3,731,041</u>	<u>-</u>	<u>3,731,041</u>	<u>3,735,056</u>	<u>3,253,800</u>	<u>477,241</u>
Expenses and transfers						
Personal services	569,845	-	569,845	681,993	681,993	112,148
Contractual services	746,508	-	746,508	1,160,250	1,236,007	489,499
Commodities	42,615	-	42,615	111,850	111,850	69,235
Capital outlay	79,072	100,789	179,861	298,000	298,000	118,139
Debt service	312,100	-	312,100	333,200	333,200	21,100
Depreciation	1,191,021	[1,191,021]	-	-	-	-
Miscellaneous	18,133	-	18,133	1,083,950	1,083,950	1,065,817
Transfer out	717,156	-	717,156	155,000	155,000	[562,156]
Total operating expenses and transfers	<u>3,676,450</u>	<u>[1,090,232]</u>	<u>2,586,218</u>	<u>3,824,243</u>	<u>3,900,000</u>	<u>1,313,782</u>
Change in net assets	54,591	<u>\$ 1,090,232</u>	1,144,823	<u>\$ [89,187]</u>	<u>\$ [646,200]</u>	<u>\$ 1,791,023</u>
Net assets - Beginning of year	<u>11,421,564</u>		<u>14,243,518</u>			
Net assets - End of year	<u>\$ 11,476,155</u>		<u>\$ 15,388,341</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - ACTUAL AND BUDGET
WATER UTILITY FUND
For the Year Ended December 31, 2007

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues and transfers						
Charges for services	\$ 4,592,153	\$ -	\$ 4,592,153	\$ 4,612,869	\$ 4,612,869	\$ [20,716]
Use of money and property	426,259	-	426,259	25,000	25,000	401,259
Miscellaneous	4,314	-	4,314	5,000	5,000	[686]
Total revenues and transfers	<u>5,022,726</u>	<u>-</u>	<u>5,022,726</u>	<u>4,642,869</u>	<u>4,642,869</u>	<u>379,857</u>
Expenses and transfers						
Personal services	615,273	-	615,273	708,323	708,323	93,050
Contractual services	1,175,291	-	1,175,291	1,855,100	1,855,100	679,809
Commodities	478,996	-	478,996	408,600	408,600	[70,396]
Capital outlay	155,447	379,330	534,777	268,000	268,000	[266,777]
Debt service	373,386	-	373,386	335,800	335,800	[37,586]
Depreciation	747,411	[747,411]	-	-	-	-
Miscellaneous	18,254	-	18,254	784,250	784,250	765,996
Loss on sale	7,543	[7,543]	-	-	-	-
Transfer out	708,942	-	708,942	-	-	[708,942]
Total operating expenses and transfers	<u>4,280,543</u>	<u>[375,624]</u>	<u>3,904,919</u>	<u>4,360,073</u>	<u>4,360,073</u>	<u>455,154</u>
Change in net assets	<u>742,183</u>	<u>\$ 375,624</u>	<u>1,117,807</u>	<u>\$ 282,796</u>	<u>\$ 282,796</u>	<u>\$ 835,011</u>
Net assets - Beginning of year	8,662,343		11,798,845			
Prior period adjustment	<u>250,531</u>		<u>250,531</u>			
Net assets - Beginning of year, restated	<u>8,912,874</u>		<u>12,049,376</u>			
Net assets - End of year	<u>\$ 9,655,057</u>		<u>\$ 13,167,183</u>			

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units on a cost reimbursement basis.

Workers' Compensation Fund - To account for contributions made by the City to be used for paying claims for job-related injuries.

Employee Health Care Fund - To account for contributions made by the City, City employees and former City employees to be used for payment of medical claims of covered participants.

CITY OF EMPORIA, KANSAS
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 December 31, 2007

	Workers' Compensation	Employee Health Care	Total
ASSETS			
Cash and cash equivalents	\$ 95,616	\$ 125,400	\$ 221,016
Investments	<u>876,000</u>	<u>100,000</u>	<u>976,000</u>
Total assets	<u>\$ 971,616</u>	<u>\$ 225,400</u>	<u>\$ 1,197,016</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	\$ 14,188	\$ -	\$ 14,188
Unpaid claims	<u>440,349</u>	<u>18,853</u>	<u>459,202</u>
Total liabilities	454,537	18,853	473,390
Net Assets			
Unrestricted	<u>517,079</u>	<u>206,547</u>	<u>723,626</u>
Total liabilities and net assets	<u>\$ 971,616</u>	<u>\$ 225,400</u>	<u>\$ 1,197,016</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2007

	Workers' Compensation	Employee Health Care	Total
Operating revenues			
Charges for services	\$ 183,590	\$ 1,795,338	\$ 1,978,928
Total operating revenues	<u>183,590</u>	<u>1,795,338</u>	<u>1,978,928</u>
Operating expenses			
Cost of services	<u>316,041</u>	<u>1,922,599</u>	<u>2,238,640</u>
Total operating expenses	<u>316,041</u>	<u>1,922,599</u>	<u>2,238,640</u>
Operating income [loss]	[132,451]	[127,261]	[259,712]
Nonoperating revenues [expenses]			
Interest income	<u>49,920</u>	<u>24,276</u>	<u>74,196</u>
Changes in net assets	[82,531]	[102,985]	[185,516]
Net assets, January 1	<u>599,610</u>	<u>309,532</u>	<u>909,142</u>
Net assets, December 31	<u>\$ 517,079</u>	<u>\$ 206,547</u>	<u>\$ 723,626</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2007

	Workers' Compensation	Employee Health Care	Total
Cash flows from operating activities			
Cash received from participants	\$ 183,590	\$ 1,795,338	\$ 1,978,928
Cash paid to suppliers	<u>[279,958]</u>	<u>[1,962,941]</u>	<u>[2,242,899]</u>
Net cash provided by [used for] operating activities	<u>[96,368]</u>	<u>[167,603]</u>	<u>[263,971]</u>
Cash flows from investing activities			
Proceeds from sale of investments	946,758	248,884	1,195,642
Purchase of investments	[876,000]	[100,000]	[976,000]
Interest received	<u>49,920</u>	<u>24,276</u>	<u>74,196</u>
Net cash provided by [used for] investing activities	<u>120,678</u>	<u>173,160</u>	<u>293,838</u>
Net increase [decrease] in cash and cash equivalents	24,310	5,557	29,867
Cash and cash equivalents, January 1	<u>71,306</u>	<u>119,843</u>	<u>191,149</u>
Cash and cash equivalents, December 31	<u>\$ 95,616</u>	<u>\$ 125,400</u>	<u>\$ 221,016</u>
Reconciliation of operating income [loss] to net cash provided by [used for] operating activities			
Operating income [loss]	\$ [132,451]	\$ [127,261]	\$ [259,712]
Adjustments to reconcile operating income [loss] to net cash provided by [used for] operating activities			
Changes in assets and liabilities			
Increase [decrease] in claims payable	<u>36,083</u>	<u>[40,342]</u>	<u>[4,259]</u>
Net cash provided by [used for] operating activities	<u>\$ [96,368]</u>	<u>\$ [167,603]</u>	<u>\$ [263,971]</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS
TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and / or other funds.

Tree Private Purpose Trust Fund - To account for monies provided by private donors to finance planting of trees.

Fremont Park Private Purpose Trust Fund - To account for the money donated to the City for the purpose of building a display shelter for the railroad engine and caboose at Fremont Park.

Las Casitas Park Private Purpose Trust Fund - To account for monies provided by private donors to finance improvements to the Las Casitas Park.

Dog Park Private Purpose Trust Fund – To account for monies provided by private donors to finance the dog park.

Economic Development Private Purpose Trust Fund - To provide a financial resource which enhances the City's ability to attract new economic development projects by lending money to businesses that is repaid with interest.

Fire Insurance Proceeds Agency Fund - To account for a portion of insurance proceeds from fire and casualty losses to structures within the City. Proceeds are returned to property owners upon substantial completion of repairs or demolition of structure.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST
 December 31, 2007

	Private Purpose Trust					Total
	Tree	Fremont Park	Las Casitas Park	Dog Park	Economic Development	
Assets						
Cash and cash equivalents	\$ 2,359	\$ 86	\$ 413	\$ 30	\$ 634,219	\$ 637,107
Accrued interest receivable	-	-	-	-	1,514	1,514
Notes receivable	-	-	-	-	392,138	392,138
Total Assets	<u>\$ 2,359</u>	<u>\$ 86</u>	<u>\$ 413</u>	<u>\$ 30</u>	<u>\$ 1,027,871</u>	<u>\$ 1,030,759</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets						
Reserved for economic development	-	-	-	-	1,027,871	1,027,871
Unreserved						
Undesignated	<u>2,359</u>	<u>86</u>	<u>413</u>	<u>30</u>	<u>-</u>	<u>2,888</u>
Total liabilities and net assets	<u>\$ 2,359</u>	<u>\$ 86</u>	<u>\$ 413</u>	<u>\$ 30</u>	<u>\$ 1,027,871</u>	<u>\$ 1,030,759</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - AGENCY FUND
December 31, 2007

	Fire Insurance <u>Proceeds</u>
Assets	
Cash and cash equivalents	\$ <u>9,292</u>
Total Assets	\$ <u>9,292</u>
Liabilities	
Accounts payable	\$ <u>9,292</u>
Total Liabilities	\$ <u>9,292</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2007

	Private Purpose Trust					
	<u>Tree</u>	<u>Fremont Park</u>	<u>Las Casitas Park</u>	<u>Dog Park</u>	<u>Economic Development</u>	<u>Total</u>
Additions:						
Interest income	\$ 113	\$ 4	\$ -	\$ 30	\$ 51,504	\$ 51,651
Total Additions	113	4	-	30	51,504	51,651
Deductions	-	-	-	-	328	328
Change in net assets	113	4	-	30	51,176	51,323
Net assets, January 1	<u>2,246</u>	<u>82</u>	<u>413</u>	<u>-</u>	<u>976,695</u>	<u>979,436</u>
Net assets, December 31	<u>\$ 2,359</u>	<u>\$ 86</u>	<u>\$ 413</u>	<u>\$ 30</u>	<u>\$ 1,027,871</u>	<u>\$ 1,030,759</u>

See independent auditor's report on the financial statements.

CITY OF EMPORIA, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended December 31, 2007

	Balance January 1, <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2007</u>
Cash and cash equivalents	\$ 14,816	\$ 7,551	\$ 13,075	\$ 9,292
Total assets	\$ 14,816	\$ 7,551	\$ 13,075	\$ 9,292
Accounts payable	\$ 14,816	\$ 7,551	\$ 13,075	\$ 9,292
Total liabilities	\$ 14,816	\$ 7,551	\$ 13,075	\$ 9,292

See independent auditor's report on the basic financial statements.

STATISTICAL SECTION

This page intentionally left blank.

Statistical Section
(Unaudited)

This part of the City of Emporia's *Comprehensive Annual Financial Report (CAFR)*, presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economical Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

This page intentionally left blank.

TABLE 1
UNAUDITED

CITY OF EMPORIA, KANSAS
NET ASSETS BY COMPONENT
LAST FIVE YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 97,810,646	\$ 90,115,362	\$ 82,349,192	\$ 75,354,567	\$ 66,616,597
Restricted	176,533	385,615	99,442	249,058	227,184
Unrestricted	<u>2,600,173</u>	<u>3,102,278</u>	<u>4,806,454</u>	<u>8,871,611</u>	<u>9,091,918</u>
Total governmental activities net assets	<u>\$ 100,587,352</u>	<u>\$ 93,603,255</u>	<u>\$ 87,255,088</u>	<u>\$ 84,475,236</u>	<u>\$ 75,935,699</u>
Business-type Activities:					
Invested in capital assets, net of related debt	\$ 21,896,814	\$ 21,030,184	\$ 20,188,141	\$ 19,704,708	\$ 19,415,639
Unrestricted	<u>1,388,623</u>	<u>2,298,165</u>	<u>1,825,862</u>	<u>2,814,926</u>	<u>4,310,519</u>
Total business type activities net assets	<u>\$ 23,285,437</u>	<u>\$ 23,328,349</u>	<u>\$ 22,014,003</u>	<u>\$ 22,519,634</u>	<u>\$ 23,726,158</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 119,707,460	\$ 111,145,546	\$ 102,537,333	\$ 95,059,275	\$ 86,032,236
Restricted	176,533	385,615	99,442	249,058	227,184
Unrestricted	<u>3,988,796</u>	<u>5,400,443</u>	<u>6,632,316</u>	<u>11,686,537</u>	<u>13,402,437</u>
Total primary government net assets	<u>\$ 123,872,789</u>	<u>\$ 116,931,604</u>	<u>\$ 109,269,091</u>	<u>\$ 106,994,870</u>	<u>\$ 99,661,857</u>

Note: Data became available with the inception of GASB 34 during fiscal year 2003, therefore 10 years of data is unavailable.

Source: City of Emporia, Kansas Basic Financial Statements.

TABLE 2
UNAUDITED

CITY OF EMPORIA, KANSAS
CHANGES IN NET ASSETS
LAST FIVE YEAR
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 3,675,713	\$ 3,667,468	\$ 3,661,655	\$ 4,646,991	\$ 6,205,113
Public safety	7,478,861	7,920,078	8,735,530	7,995,365	8,680,772
Highways and streets	8,271,956	8,147,882	8,174,128	8,099,622	8,218,813
Culture and recreation	2,517,403	2,693,563	2,779,900	2,315,915	2,774,693
Health and environment	66,180	66,672	65,539	61,205	72,475
Building maintenance	879,993	1,006,234	940,398	893,474	939,756
Planning and development	1,088,645	1,485,859	1,385,571	1,264,408	4,447,332
Airport operations	469,632	518,685	538,347	384,315	634,334
Interest on long-term debt	988,069	1,097,258	1,067,693	1,100,521	1,014,796
Total governmental activities expenses	<u>25,436,452</u>	<u>26,603,699</u>	<u>27,348,761</u>	<u>26,761,816</u>	<u>32,988,084</u>
Business-type activities:					
Solid waste disposal	2,287,948	2,434,993	2,561,538	2,200,552	2,629,336
Sewer utility	1,715,958	2,224,003	3,077,282	2,929,858	2,959,294
Water utility	3,684,072	3,503,268	3,491,982	3,580,339	3,564,058
Total business-type activities	<u>7,687,978</u>	<u>8,162,264</u>	<u>9,130,802</u>	<u>8,710,749</u>	<u>9,152,688</u>
Total primary government expenses	<u>\$ 33,124,430</u>	<u>\$ 34,765,963</u>	<u>\$ 36,479,563</u>	<u>\$ 35,472,565</u>	<u>\$ 42,140,772</u>
Program Revenues					
Governmental activities:					
Charges for services	\$ 3,294,809	\$ 4,200,665	\$ 3,736,026	\$ 4,230,979	\$ 4,716,743
Operating grants and contributions	2,663,943	2,098,470	2,478,260	2,551,256	2,275,621
Total governmental activities program revenues	<u>5,958,752</u>	<u>6,299,135</u>	<u>6,214,286</u>	<u>6,782,235</u>	<u>6,992,364</u>
Business-type activities:					
Charges for services	9,536,218	9,975,459	9,976,335	10,803,039	11,335,237
Capital grants and contributions	-	-	164,214	205,002	-
Total business-type activities program revenues	<u>9,536,218</u>	<u>9,975,459</u>	<u>10,140,549</u>	<u>11,008,041</u>	<u>11,335,237</u>
Total primary government program revenues	<u>\$ 15,494,970</u>	<u>\$ 16,274,594</u>	<u>\$ 16,354,835</u>	<u>\$ 17,790,276</u>	<u>\$ 18,327,601</u>
Net [expense]/revenue					
Governmental activities	\$ [19,477,700]	\$ [20,304,564]	\$ [21,134,475]	\$ [19,979,581]	\$ [25,995,720]
Business-type activities	1,848,240	1,813,195	1,009,747	2,297,292	2,182,549
Total primary government net expense	<u>\$ [17,629,460]</u>	<u>\$ [18,491,369]</u>	<u>\$ [20,124,728]</u>	<u>\$ [17,682,289]</u>	<u>\$ [23,813,171]</u>
General revenues and other changes in net assets					
Governmental activities:					
Taxes	\$ 10,570,695	\$ 11,627,273	\$ 11,668,957	\$ 12,390,698	\$ 13,087,215
Investment earnings	154,282	170,491	231,223	433,320	713,477
Miscellaneous	152,951	152,533	268,970	472,137	1,811,021
Transfers	2,094,937	2,040,880	2,566,496	1,950,840	1,971,420
Total governmental activities	<u>12,972,865</u>	<u>13,991,177</u>	<u>14,735,646</u>	<u>15,246,995</u>	<u>17,583,133</u>
Business-type activities:					
Investment earnings	135,272	92,389	50,789	64,197	496,647
Miscellaneous	84,322	178,208	191,614	107,922	248,217
Transfers	[2,094,937]	[2,040,880]	[2,566,496]	[1,950,840]	[1,971,420]
Total business-type activities	<u>[1,875,343]</u>	<u>[1,770,283]</u>	<u>[2,324,093]</u>	<u>[1,778,721]</u>	<u>[1,226,556]</u>
Total primary government	<u>\$ 11,097,522</u>	<u>\$ 12,220,894</u>	<u>\$ 12,411,553</u>	<u>\$ 13,468,274</u>	<u>\$ 16,356,577</u>
Change in net assets					
Governmental activities	\$ [6,504,835]	\$ [6,313,387]	\$ [6,398,829]	\$ [4,732,586]	\$ [8,412,587]
Business-type activities	[27,103]	42,912	[1,314,346]	518,571	955,993
Total primary government	<u>\$ [6,531,938]</u>	<u>\$ [6,270,475]</u>	<u>\$ [7,713,175]</u>	<u>\$ [4,214,015]</u>	<u>\$ [7,456,594]</u>

Note: Data became available with the inception of GASB 34 during fiscal year 2003, therefore 10 years of data is unavailable.

Source: City of Emporia, Kansas Basic Financial Statements.

CITY OF EMPORIA, KANSAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST FIVE YEARS
(accrual basis of accounting)

<u>Fiscal</u> <u>Year</u>	<u>Property</u> <u>Tax</u>	<u>Sales</u> <u>Tax</u>	<u>Franchise</u> <u>Tax</u>	<u>Motor</u> <u>Vehicle</u> <u>Tax</u>	<u>Total</u>
2003	\$ 5,279,791	\$ 3,712,601	\$ 907,308	\$ 670,995	\$ 10,570,695
2004	6,036,903	3,854,759	992,036	743,575	11,627,273
2005	5,812,138	3,997,182	1,060,262	799,375	11,668,957
2006	6,218,970	4,032,795	1,372,059	766,874	12,390,698
2007	6,320,568	4,104,469	1,905,311	756,867	13,087,215

Note: Data became available with the inception of GASB 34 during fiscal year 2003, therefore 10 years of data is unavailable.

Source: City of Emporia, Kansas Basic Financial Statements.

TABLE 4
UNAUDITED

CITY OF EMPORIA, KANSAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>1998</u>	<u>1999</u>	<u>2000</u>
General fund			
Reserved	\$ 138,201	\$ 103,517	\$ 11,450
Unreserved	<u>469,434</u>	<u>350,867</u>	<u>59,035</u>
Total general fund	<u>\$ 607,635</u>	<u>\$ 454,384</u>	<u>\$ 70,485</u>
All other governmental funds			
Reserved	\$ 594,261	\$ 1,912,150	\$ 1,928,015
Unreserved, reported in:			
Special revenue funds	1,794,214	87,853	445,693
Debt service funds	238,518	147,400	100,916
Capital projects funds	<u>[262,614]</u>	<u>[10,141]</u>	<u>2,188,816</u>
Total all other governmental funds	<u>\$ 2,364,379</u>	<u>\$ 2,137,262</u>	<u>\$ 4,663,440</u>

Source: City of Emporia, Kansas Basic Financial Statements.

TABLE 4
UNAUDITED

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 34,748	\$ 22,503	\$ 831	\$ -	\$ -	\$ 53,991	\$ 81,152
<u>29,299</u>	<u>369,807</u>	<u>385,191</u>	<u>883,809</u>	<u>906,267</u>	<u>1,346,381</u>	<u>2,234,807</u>
<u>\$ 64,047</u>	<u>\$ 392,310</u>	<u>\$ 386,022</u>	<u>\$ 883,809</u>	<u>\$ 906,267</u>	<u>\$ 1,400,372</u>	<u>\$ 2,315,959</u>
\$ 1,600,936	\$ 126,396	\$ 8,935	\$ -	\$ -	\$ -	\$ 115,753
426,778	2,056,323	1,989,329	1,164,245	1,329,900	1,919,585	1,453,126
247,620	24,843	176,533	385,615	99,442	249,058	227,184
<u>3,767,233</u>	<u>2,132,896</u>	<u>[148,050]</u>	<u>459,924</u>	<u>1,949,760</u>	<u>5,427,142</u>	<u>6,467,716</u>
<u>\$ 6,042,567</u>	<u>\$ 4,340,458</u>	<u>\$ 2,026,747</u>	<u>\$ 2,009,784</u>	<u>\$ 3,379,102</u>	<u>\$ 7,595,785</u>	<u>\$ 8,263,779</u>

TABLE 5
UNAUDITED

CITY OF EMPORIA, KANSAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Revenues			
Taxes	\$ 8,511,816	\$ 8,693,691	\$ 9,249,638
Charges for services	968,128	943,273	1,030,672
Special assessments	200,285	178,408	283,929
Intergovernmental	2,501,046	2,276,576	2,167,080
Licenses and permits	150,950	244,057	239,039
Fines and fees	628,657	575,612	662,477
Use of money and property	208,668	281,706	514,566
Contributions	-	106,030	50,504
Miscellaneous	268,791	152,189	135,358
Total revenues	<u>13,438,341</u>	<u>13,451,542</u>	<u>14,333,263</u>
Expenditures			
General government	1,138,486	789,188	988,077
Public safety	5,943,878	6,174,744	6,517,168
Highways and streets	1,341,571	1,276,783	945,181
Culture and recreation	1,668,775	1,804,195	1,785,406
Health and environment	139,527	146,564	63,600
Building maintenance	589,991	631,561	613,362
Planning and development	609,637	1,535,910	1,367,275
Airport operations	360,471	337,579	403,835
Capital outlay	2,671,042	2,376,062	2,659,475
Debt service			
Principal	1,027,473	1,241,736	1,571,162
Interest and other charges	599,766	650,833	701,711
Total expenditures	<u>16,090,617</u>	<u>16,965,155</u>	<u>17,616,252</u>
Excess of revenues over/[under] expenditures	<u>[2,652,276]</u>	<u>[3,513,613]</u>	<u>[3,282,989]</u>
Other financing sources [uses]			
Transfers in	2,327,400	3,073,121	2,831,013
Transfers out	[955,561]	[1,705,488]	[1,734,432]
Payment to refund bonds	-	-	-
Payment to escrow agent	-	-	-
Bond premium	-	-	-
Sale of bonds	2,055,000	1,765,612	4,328,687
Total other financing sources [uses]	<u>3,426,839</u>	<u>3,133,245</u>	<u>5,425,268</u>
Net change in fund balances	<u>\$ 774,563</u>	<u>\$ [380,368]</u>	<u>\$ 2,142,279</u>
Debt service as a percentage of noncapital expenditures	12.13%	12.97%	15.20%

Source: City of Emporia, Kansas Basic Financial Statements.

TABLE 5
UNAUDITED

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 9,622,700	\$ 10,000,954	\$ 10,429,929	\$ 11,545,148	\$ 11,610,647	\$ 12,324,809	\$ 13,018,554
944,841	1,001,003	1,215,208	1,664,767	1,380,037	1,744,253	1,725,796
397,346	343,853	140,766	82,125	58,310	65,889	68,661
2,025,811	3,435,257	2,650,278	2,092,293	2,472,129	2,442,244	2,091,977
252,453	230,372	223,767	222,834	236,014	287,456	310,062
694,922	904,089	609,956	846,047	704,566	663,204	701,957
381,632	207,397	139,577	152,792	182,814	359,238	639,281
13,280	1,180,864	13,665	6,177	6,131	825	183,644
170,842	237,816	152,258	149,850	268,970	472,137	1,811,021
<u>14,503,827</u>	<u>17,541,605</u>	<u>15,575,404</u>	<u>16,762,033</u>	<u>16,919,618</u>	<u>18,360,055</u>	<u>20,550,953</u>
903,816	1,599,225	2,002,363	1,697,194	1,723,621	1,892,612	1,986,354
6,729,779	7,022,651	7,244,197	7,633,408	8,444,565	7,523,946	8,414,431
1,428,172	1,614,230	1,265,207	1,575,987	1,587,864	1,357,344	1,479,746
1,853,974	2,002,345	1,862,663	2,021,225	2,098,537	2,054,308	2,233,824
63,600	59,010	66,180	66,672	65,539	61,205	72,475
688,741	737,577	790,025	903,207	839,482	827,882	939,756
1,288,605	1,254,285	1,088,645	1,485,858	1,385,571	1,164,397	4,447,332
370,985	327,488	290,382	345,189	364,066	384,316	463,628
5,983,369	7,574,461	4,630,990	1,873,304	1,583,078	2,250,940	4,166,044
1,287,276	1,540,882	1,244,835	1,469,713	2,001,186	1,848,559	1,948,203
643,332	1,171,256	1,026,653	1,075,217	1,073,492	1,078,698	1,086,649
<u>21,241,649</u>	<u>24,903,410</u>	<u>21,512,140</u>	<u>20,146,974</u>	<u>21,167,001</u>	<u>20,444,207</u>	<u>27,238,442</u>
<u>[6,737,822]</u>	<u>[7,361,805]</u>	<u>[5,936,736]</u>	<u>[3,384,941]</u>	<u>[4,247,383]</u>	<u>[2,084,152]</u>	<u>[6,687,489]</u>
3,446,018	4,169,969	3,252,994	3,518,373	3,841,246	3,860,551	3,510,358
[1,785,507]	[1,907,356]	[1,158,057]	[1,477,493]	[1,274,750]	[1,909,711]	[1,538,938]
-	-	[110,000]	[1,185,000]	-	-	[3,720,000]
-	-	-	-	-	-	[156,988]
-	-	-	-	-	-	103,588
<u>6,450,000</u>	<u>3,725,346</u>	<u>1,631,800</u>	<u>3,465,000</u>	<u>3,022,000</u>	<u>4,820,000</u>	<u>10,200,000</u>
<u>8,110,511</u>	<u>5,987,959</u>	<u>3,616,737</u>	<u>4,320,880</u>	<u>5,588,496</u>	<u>6,770,840</u>	<u>8,398,020</u>
<u>\$ 1,372,689</u>	<u>\$ [1,373,846]</u>	<u>\$ [2,319,999]</u>	<u>\$ 935,939</u>	<u>\$ 1,341,113</u>	<u>\$ 4,686,688</u>	<u>\$ 1,710,531</u>
12.65%	15.65%	13.46%	13.93%	15.70%	16.09%	12.19%

This page intentionally left blank.

TABLE 6
UNAUDITED

CITY OF EMPORIA, KANSAS
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal</u> <u>Year</u>	<u>Property</u> <u>Tax</u>	<u>Sales</u> <u>Tax</u>	<u>Franchise</u> <u>Tax</u>	<u>Motor Fuel</u> <u>Tax</u>	<u>Total</u>
1998	\$ 3,449,282	\$ 3,533,338	\$ 806,214	\$ 722,982	\$ 8,511,816
1999	3,659,119	3,604,402	794,560	635,610	8,693,691
2000	4,105,956	3,706,938	830,254	606,490	9,249,638
2001	4,245,961	3,826,968	934,719	615,052	9,622,700
2002	4,650,010	3,779,416	911,158	660,370	10,000,954
2003	5,609,562	3,712,601	907,308	744,078	10,973,549
2004	5,954,778	3,854,759	992,036	743,575	11,545,148
2005	5,753,828	3,997,182	1,060,262	799,375	11,610,647
2006	6,153,081	4,032,795	1,372,059	766,874	12,324,809
2007	6,251,907	4,104,469	1,905,311	756,867	13,018,554

Source: City of Emporia, Kansas Basic Financial Statements.

TABLE 7
UNAUDITED

CITY OF EMPORIA, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Fiscal Year Ended <u>December 31,</u>	Real Property		Personal Property	
	Residential <u>Property - 1</u>	Commercial <u>Property - 1</u>	Motor <u>Vehicles - 2</u>	<u>Other - 1</u>
1998	\$ 66,353,500	\$ 15,286,400	\$ 19,806,500	\$ 1,971,000
1999	75,899,700	15,796,900	19,986,000	1,022,000
2000	76,375,900	18,175,000	19,989,300	1,120,000
2001	83,230,400	17,807,800	19,517,800	2,850,000
2002	93,952,600	19,060,600	20,866,000	4,163,000
2003	103,881,400	18,650,300	21,176,100	125,000
2004	95,122,800	19,083,100	21,704,600	973,000
2005	100,577,500	21,257,000	21,590,000	549,000
2006	106,044,300	22,987,100	21,849,600	2,773,000
2007	106,900,000	22,411,800	21,617,400	838,000

Note 1 - Lyon County Appraiser

Note 2 - Lyon County Clerk

TABLE 7
UNAUDITED

Less Tax Exempt Real Property - 1	Total Taxable Assessed Value	Total Direct Tax Rate - 2	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 2,080,000	\$ 101,337,400	35.327	\$ 562,339,000	18.02%
4,109,000	108,595,600	36.283	605,629,700	17.93%
2,626,000	113,034,200	36.124	590,850,500	19.13%
4,412,000	118,994,000	35.882	663,678,000	17.93%
6,788,000	131,254,200	38.397	730,047,700	17.98%
9,074,000	134,758,800	42.062	760,455,400	17.72%
3,572,000	133,311,500	41.258	800,452,000	16.65%
4,993,000	138,980,500	41.157	852,801,400	16.30%
4,772,000	148,882,000	40.956	890,406,000	16.72%
4,568,000	147,199,200	42.033	895,502,100	16.44%

TABLE 8
UNAUDITED

CITY OF EMPORIA, KANSAS

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

Fiscal Year	City of Emporia Kansas			Lyon County			USD 253			Total Direct & Overlapping Rates
	Operating Millage	Service Millage	Total City Millage	Operating Millage	Service Millage	Total County Millage	Operating Millage	Service Millage	Total County Millage	
1998	28.210	7.117	35.327	43.129	2.659	45.788	38.035	4.706	42.741	123.856
1999	26.205	10.078	36.283	46.017	1.756	47.773	40.233	4.870	45.103	129.159
2000	25.662	10.462	36.124	38.866	1.615	40.481	42.607	4.837	47.444	124.049
2001	25.848	10.034	35.882	43.699	1.893	45.592	43.886	17.223	61.109	142.583
2002	28.544	9.853	38.397	44.879	1.083	45.962	40.123	21.037	61.160	145.519
2003	29.839	12.223	42.062	47.685	0.502	48.187	43.989	16.224	60.213	150.462
2004	30.511	10.747	41.258	50.077	0.969	51.046	48.130	9.591	57.721	150.025
2005	28.859	12.298	41.157	50.165	0.768	50.933	45.060	11.324	56.384	148.474
2006	28.453	12.503	40.956	49.656	0.890	50.546	44.849	9.986	54.835	146.337
2007	28.699	13.334	42.033	50.998	0.641	51.639	45.248	8.876	54.124	147.796

Overlapping rates are those of local and county government that apply to property owners within the City of Emporia. Not all overlapping rates apply to all Emporia property owners.

Source: Lyon County Clerk

TABLE 9
UNAUDITED

CITY OF EMPORIA, KANSAS
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2007

Taxpayer	2007			1998		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Iowa Beef/ Tyson Fresh Meats	\$ 4,330,340	1	3.624%	\$ 1,777,060	4	1.892%
Westar Energy (Electric Div)	4,067,597	2	3.404%	6,269,409	1	6.677%
Menu Pet Food	3,233,419	3	2.706%	-		
Southwestern Bell	2,301,621	4	1.926%	3,839,251	2	4.089%
Emporia ROS/ WalMart	2,042,211	5	1.709%	-		
Bunge North America	1,762,317	6	1.475%	1,509,617	5	1.608%
Kansas Gas Service	1,374,260	7	1.150%	-		
Interstate Brands	1,341,440	8	1.123%	1,065,981	8	1.135%
Emporia Partners	1,170,673	9	0.980%	-		
Emporia Wholesale Coffee	1,132,592	10	0.948%	-		
Panhandle Eastern Pipeline	-		0.000%	3,573,047	3	3.805%
Didde Corporation	-		0.000%	1,323,859	6	1.410%
Williams Natural Gas	-		0.000%	1,166,593	7	1.242%
Atchison, Topeka and Santa Fe	-		0.000%	886,920	9	0.945%
Equitable Life	-		0.000%	873,438	10	0.930%
Totals	<u>\$ 22,756,470</u>		<u>19.045%</u>	<u>\$ 22,285,175</u>		<u>23.733%</u>

Source: Lyon County Treasurer

TABLE 10
UNAUDITED

CITY OF EMPORIA, KANSAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Fiscal Year Ended <u>December 31,</u>	Total Tax Levy for <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>
1998	\$ 3,549,552	\$ 3,431,328	96.669%	\$ 55,294	\$ 3,486,622	98.227%
1999	3,937,947	3,521,189	89.417%	59,357	3,580,546	90.924%
2000	4,099,136	3,841,308	93.710%	41,556	3,882,864	94.724%
2001	4,417,433	3,956,498	89.566%	42,829	3,999,327	90.535%
2002	4,980,869	4,284,854	86.026%	80,801	4,365,655	87.648%
2003	5,406,369	4,808,654	88.944%	72,483	4,881,137	90.285%
2004	5,524,098	5,274,464	95.481%	67,114	5,341,578	96.696%
2005	6,016,595	5,329,513	88.580%	93,220	5,422,733	90.130%
2006	6,054,145	5,624,603	92.905%	148,472	5,773,075	95.357%
2007	6,324,371	5,779,655	91.387%	80,454	5,860,109	92.659%

Source: City of Emporia Treasurer

CITY OF EMPORIA, KANSAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	Governmental Activities					General		Total Primary Government	Percentage of Personal Income - 1	Per Capita - 1
	General Obligation Bonds	Temporary Notes	Loans Payable	Capital Leases	Notes Payable	Obligation Bonds	Capital Leases			
1998	\$ 12,226,250	\$ -	\$ -	\$ 17,361	\$ -	\$ 10,179,214	\$ 13,696	\$ 22,436,521	4.26%	\$ 879
1999	12,843,950	-	-	10,962	2,467,589	9,856,050	7,861	25,186,412	4.82%	987
2000	16,031,755	-	-	244,686	7,318,886	9,003,245	2,026	32,600,598	5.81%	1,218
2001	21,204,265	-	-	193,579	7,363,719	8,330,730	-	37,092,293	6.57%	1,386
2002	23,614,730	-	-	142,472	13,338,218	7,525,270	-	44,620,690	7.87%	1,667
2003	23,906,800	-	-	86,856	15,255,430	6,453,200	-	45,702,286	7.95%	1,708
2004	24,320,600	420,000	192,083	30,178	15,063,089	5,989,400	-	46,015,350	7.94%	1,720
2005	25,785,400	-	168,098	-	14,343,737	5,554,600	-	45,851,835	7.91%	1,713
2006	23,961,309	4,820,000	143,630	-	13,650,842	4,928,691	-	47,504,472	8.13%	1,775
2007	27,151,654	6,290,000	118,670	-	12,963,791	4,406,935	-	50,931,050	8.73%	1,903

Note 1 - See the Schedule of Demographic and Economic Statistics at Table 15 for personal income and population data.

Note - Details regarding the City's outstanding debt can be found in the notes to the financial statements.

TABLE 12
UNAUDITED

CITY OF EMPORIA, KANSAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Percentage Estimated Annual Taxable Value of Property - 1	Per Capita - 2
1998	\$ 12,226,250	\$ 238,518	\$ 11,987,732	11.830%	\$ 470
1999	12,843,950	147,400	12,696,550	11.692%	498
2000	16,031,755	100,916	15,930,839	14.094%	595
2001	21,204,265	247,620	20,956,645	17.612%	783
2002	23,614,730	24,843	23,589,887	17.973%	882
2003	23,906,800	208,172	23,698,628	17.586%	886
2004	24,320,600	391,321	23,929,279	17.950%	894
2005	25,785,400	105,875	25,679,525	18.477%	960
2006	23,961,309	253,874	23,707,435	15.924%	886
2007	27,151,654	227,184	26,924,470	18.291%	1,006

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

Note 1 - See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property at Table 7 for property value data.

Note 2 - Population data can be found in the Schedule of Demographic and Economic Statistics at Table 15.

CITY OF EMPORIA, KANSAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding - Paid With Property Taxes</u>	<u>Percentage Applicable to City of Emporia</u>	<u>Amount Applicable to City of Emporia</u>
City of Emporia, Kansas - Direct	\$ 28,924,939	100.000%	\$ 28,924,939
Unified School District #253 - Overlapping	44,205,000	87.197%	38,545,434
Lyon County, Kansas - Overlapping	13,325,000	63.085%	<u>8,406,076</u>
Total direct and overlapping debt			<u>\$ 75,876,449</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the resident and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

Source: Lyon County Clerk

TABLE 14
UNAUDITED

CITY OF EMPORIA, KANSAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Debt Limit	\$ 30,401,220	\$ 32,578,680	\$ 33,910,260	\$ 35,698,200
Total net debt applicable to limit	<u>11,987,732</u>	<u>12,696,550</u>	<u>15,930,839</u>	<u>20,956,645</u>
Legal debt margin	<u>\$ 18,413,488</u>	<u>\$ 19,882,130</u>	<u>\$ 17,979,421</u>	<u>\$ 14,741,555</u>
Total net debt applicable to the limit as a percentage of debt limit	39.43%	38.97%	46.98%	58.71%

Note: Under State finance law, the City's outstanding general obligation debt should not exceed 30 percent of the total assessed property value.

Source: Assessed valuation from Lyon County Appraiser

TABLE 14
UNAUDITED

Fiscal Year					
<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 39,376,260	\$ 40,427,640	\$ 39,993,450	\$ 41,694,150	\$ 44,225,583	\$ 45,104,258
<u>23,589,887</u>	<u>23,698,628</u>	<u>23,929,279</u>	<u>25,679,525</u>	<u>23,707,435</u>	<u>26,924,470</u>
<u>\$ 15,786,373</u>	<u>\$ 16,729,012</u>	<u>\$ 16,064,171</u>	<u>\$ 16,014,625</u>	<u>\$ 20,518,148</u>	<u>\$ 18,179,788</u>
59.91%	58.62%	59.83%	61.59%	53.61%	59.69%

Legal Debt Margin Calculation for the Fiscal Year

2007

Assessed value	<u>\$ 150,347,528</u>
Debt limit (30% of total assessed value)	<u>\$ 45,104,258</u>
Debt applicable to limit:	
General obligation bonds	27,151,654
Less: amount set aside for repayment of general obligation debt	<u>227,184</u>
Total net debt applicable to limit	<u>26,924,470</u>
Legal debt margin	<u>\$ 18,179,788</u>

This page intentionally left blank.

TABLE 15
UNAUDITED

CITY OF EMPORIA, KANSAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	Population - 1	Personal Income (amounts expressed in thousands)	Per Capita Personal Income - 2	Median Age - 2	Education Level in Years of Formal Schooling - 2	School Enrollment - 3	Unemployment Rate - 2
1998	25,512	\$ 526,619	\$ 20,642	36.3	14.5	5,419	2.7%
1999	25,512	522,282	20,472	36.8	14.6	5,610	2.8%
2000	26,760	561,077	20,967	36.6	14.3	5,616	2.7%
2001	26,760	564,315	21,088	36.5	14.5	5,823	3.7%
2002	26,760	567,071	21,191	36.8	14.6	6,005	3.7%
2003	26,760	574,698	21,476	36.7	14.6	6,011	4.0%
2004	26,760	579,702	21,663	36.9	14.7	6,194	4.3%
2005	26,760	579,943	21,672	37.0	14.7	6,192	4.1%
2006	26,760	584,438	21,840	37.1	15.0	6,201	3.6%
2007	26,760	583,475	21,804	37.4	14.9	6,257	4.8%

Note 1 - Data From U.S. Census Information

Note 2 - Data From Kansas Department of Labor Lyon County Statistics

Note 3 - Data Obtained From Various Education Entities in Emporia

TABLE 16
UNAUDITED

CITY OF EMPORIA, KANSAS
PRINCIPAL EMPLOYERS
DECEMBER 31, 2007 AND NINE YEARS AGO

<u>Employer</u>	2007			1998		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Tyson Fresh Meats	2,365	1	8.84%	2,601	1	10.20%
U.S.D. #253	783	2	2.93%	1,045	3	4.10%
Emporia State University	791	3	2.96%	1,500	2	5.88%
Interstate Brands	682	4	2.55%	725	4	2.84%
Newman Regional Health	549	5	2.05%	485	6	1.90%
Menu Foods Midwest	451	6	1.69%	-		0.00%
City of Emporia Kansas	270	7	1.01%	280	9	1.10%
Lyon County	270	8	1.01%	240	10	0.94%
Hopkins Manufacturing	275	9	1.03%	455	8	1.78%
Detroit Diesel Remanufacturing	248	10	0.93%	-		0.00%
Wal-Mart Super Center	245		0.92%	-		0.00%
Modine Manufacturing	-		0.00%	355	7	1.39%
Didde Corporation	-		0.00%	334	5	1.31%
	<u>6,929</u>		<u>25.89%</u>	<u>8,020</u>		<u>31.44%</u>

Data from Emporia Chamber of Commerce

TABLE 17
UNAUDITED

CITY OF EMPORIA, KANSAS
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

Function	Full-Time Equivalent Employees as of December 31									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Government	34	35	35	37	34	32	32	32	37	35
Public Safety										
Officers	45	46	47	44	48	45	48	45	48	44
Civilians	21	21	21	29	20	21	24	21	23	23
Fire										
Firefighters and Officers	45	45	47	48	45	46	48	46	48	48
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Engineering	5	5	5	5	6	5	7	5	7	8
Maintenance	13	13	11	15	16	16	11	11	11	9
Sanitation	27	28	28	28	32	28	30	28	31	30
Culture and Recreation	30	32	34	28	29	29	30	34	28	30
Water	20	20	19	20	21	19	17	19	18	17
Sewer	<u>14</u>	<u>14</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>12</u>	<u>13</u>	<u>12</u>	<u>12</u>
Total	<u>255</u>	<u>260</u>	<u>261</u>	<u>268</u>	<u>265</u>	<u>255</u>	<u>260</u>	<u>255</u>	<u>264</u>	<u>257</u>

Source: City of Emporia Human Resources Department

TABLE 18
UNAUDITED

CITY OF EMPORIA, KANSAS
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS

Function	<u>1998</u>	<u>1999</u>	<u>2000</u>
Police			
Physical arrests - 1	2,192.00	2,273.00	2,195.00
Parking violations - 1	944.00	9,081.00	7,338.00
Traffic violations - 1	5,211.00	5,170.00	5,140.00
Fire			
Number of calls answered - 2	NA	NA	1,430.00
Inspections - 2	NA	417.00	1,008.00
Highways and streets			
Street resurfacing (miles) - 3	4.79	4.52	4.64
Potholes repaired - 4	60.00	70.00	70.00
Sanitation			
Refuse collected (tons/day) - 5	144.00	117.89	122.89
Recyclables collected (tons/day) - 5	5.70	6.13	6.00
Water			
New connections - 6	173.00	173.00	173.00
Water main breaks - 6	62.00	39.00	49.00
Average daily consumption (thousands of gallons) - 7	2,753.00	2,825.00	2,913.00
Wastewater			
Average Daily Treatment Capacity (thousands of gallons) - 8	2,180.00	2,183.00	2,186.00

Note 1 - City of Emporia Police Department

Note 2 - City of Emporia Fire Department

Note 3 - City of Emporia Engineering Department

Note 4 - City of Emporia Street Department

Note 5 - City of Emporia Solid Waste Department

Note 6 - City of Emporia Public Works Department

Note 7 - City of Emporia Water Department

Note 8 - City of Emporia Wastewater Department

TABLE 18
UNAUDITED

Fiscal Year						
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
2,095.00	2,341.00	1,961.00	2,008.00	1,952.00	1,859.00	1,823.00
7,853.00	6,535.00	5,840.00	7,289.00	6,308.00	6,355.00	6,609.00
5,026.00	5,415.00	4,991.00	5,075.00	4,788.00	4,969.00	4,879.00
1,320.00	1,411.00	1,445.00	1,396.00	1,448.00	1,333.00	1,435.00
848.00	1,004.00	1,045.00	1,614.00	1,067.00	980.00	1,023.00
4.01	5.00	4.81	4.79	4.80	4.82	4.81
55.00	80.00	80.00	78.00	95.00	100.00	150.00
130.89	142.27	134.83	127.14	142.04	133.09	132.58
6.52	6.46	6.98	6.21	6.04	6.71	6.57
173.00	173.00	173.00	173.00	173.00	173.00	169.00
43.00	88.00	84.00	61.00	57.00	63.00	72.00
2,942.00	3,160.00	2,686.00	3,195.00	2,671.00	2,859.00	2,669.00
2,187.00	2,190.00	2,003.00	2,192.00	2,002.00	2,200.00	3,190.00

TABLE 19
UNAUDITED

CITY OF EMPORIA, KANSAS
CAPITAL ASST STATISTICS BY FUNCTION
LAST TEN YEARS

<u>Function</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Public Safety			
Police			
Stations	1.00	1.00	1.00
Patrol Units - 1	21.00	21.00	21.00
Fire Stations	2.00	2.00	2.00
Sanitation			
Collection Trucks - 2	11.00	11.00	11.00
Highways and Streets			
Streets (miles) - 3	157.00	160.00	160.00
Traffic Signals - 4	64.00	65.00	66.00
Culture and Recreation			
Parks Acreage - 5	249.50	249.50	325.16
Parks - 5	17.00	17.00	18.00
Swimming Pools	2.00	2.00	2.00
Tennis Courts - 5	6.00	6.00	6.00
Community Centers	1.00	1.00	1.00
Water			
Water Main (miles) - 3	173.00	173.00	173.00
Fire Hydrants - 6	888.00	888.00	890.00
Maximum Daily Capacity (thousands of gallons) - 7	2,913.00	2,899.00	3,017.00
Sewer			
Sanitary Sewers (miles) - 3	138.00	138.00	138.00
Storm Sewers (miles) - 3	56.00	56.00	56.00
Maximum Daily Treatment Capacity (thousands of gallons) - 8	5,997.00	5,997.00	5,997.00

Note 1 - City of Emporia Police Department
Note 2 - City of Emporia Sanitation Department
Note 3 - City of Emporia Engineering Department
Note 4 - City of Emporia Public Works Department
Note 5 - City of Emporia Parks Department
Note 6 - City of Emporia Fire Department
Note 7 - City of Emporia Water Department
Note 8 - City of Emporia Wastewater Department

TABLE 19
UNAUDITED

Fiscal Year						
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
1.00	1.00	1.00	1.00	1.00	1.00	1.00
21.00	21.00	22.00	22.00	24.00	23.00	23.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
11.00	11.00	11.00	11.00	11.00	11.00	11.00
161.00	167.00	167.00	167.00	167.00	167.00	167.00
68.00	69.00	71.00	72.00	74.00	75.00	76.00
341.22	357.28	357.28	357.28	325.16	325.16	325.16
19.00	20.00	20.00	20.00	20.00	18.00	18.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
6.00	6.00	6.00	6.00	6.00	6.00	6.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00
173.00	173.00	173.00	173.00	173.00	173.00	178.60
890.00	892.00	897.00	897.00	899.00	902.00	916.00
3,124.00	3,325.00	3,430.00	3,351.00	3,416.00	3,611.00	3,249.00
138.00	138.00	138.00	138.00	138.00	138.00	138.50
56.00	56.00	56.00	56.00	56.00	56.00	56.50
5,997.00	5,997.00	6,129.00	6,129.00	6,130.00	6,130.00	7,640.00